

Partnership with purpose Responsible ownership

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Partnership with purpose

Responsible ownership is integral to value creation at TowerBrook

As a purpose-driven investment firm, we believe responsible ownership will deliver better long-term returns for our investors.

Our business

We work to protect and grow the savings of our investors and their families

More than
86m

beneficiaries¹

Many of our limited partners invest with us on behalf of working and retired people around the world. A significant proportion of these are public servants, who include teachers, firefighters and healthcare professionals.

\$17.4bn

capital raised since inception²

- Disciplined investment approach
- Capital structuring experience
- Prudent use of leverage
- Responsible ownership

partnering with
31
portfolio companies⁴
and investments



with
66,342
full-time employees⁵

generating a combined revenue⁶ of
\$16.3bn

via almost
200
institutional investors

TowerBrook's investors include public pension funds, sovereign wealth funds, financial institutions, endowments and family offices across North America, Europe and Asia.

invested via
9 funds³

- 5 PE Funds: for-control equity investments, approximately \$100m–\$400m
- 2 Structured Opportunities Funds (TSO): not-for-control equity or structured asset investments, approximately \$40m–\$150m
- Ascension TowerBrook Healthcare Opportunities (ATHO): \$500m already committed for healthcare investments
- TowerBrook Alternative Strategies (TAS): investments in stressed and distressed credits

supported by
111
TowerBrook team members
including 73 investment professionals

- A single, integrated team in Europe and the U.S.
- 22 nationalities, fluent in 19 languages
- Headquartered in London and New York, with offices in Frankfurt and Madrid

Creating sustainable value for all stakeholders

Investors and their beneficiaries, employees, customers, suppliers and communities

Purpose

We work to **protect and grow the savings of our investors and their families** by partnering **with management teams and employees** to build **excellent companies** that make a **positive impact** on society.

By following our values, we can demonstrate that responsible ownership is excellent business practice that **creates value for all stakeholders.**

Mission

Our mission is to deliver superior, risk-adjusted returns to our investors on a consistent and responsible basis.

Integrity, partnership, discipline and creativity are fundamental to the way we work. We strive to excel in everything we do.

Integrity & partnership: our values

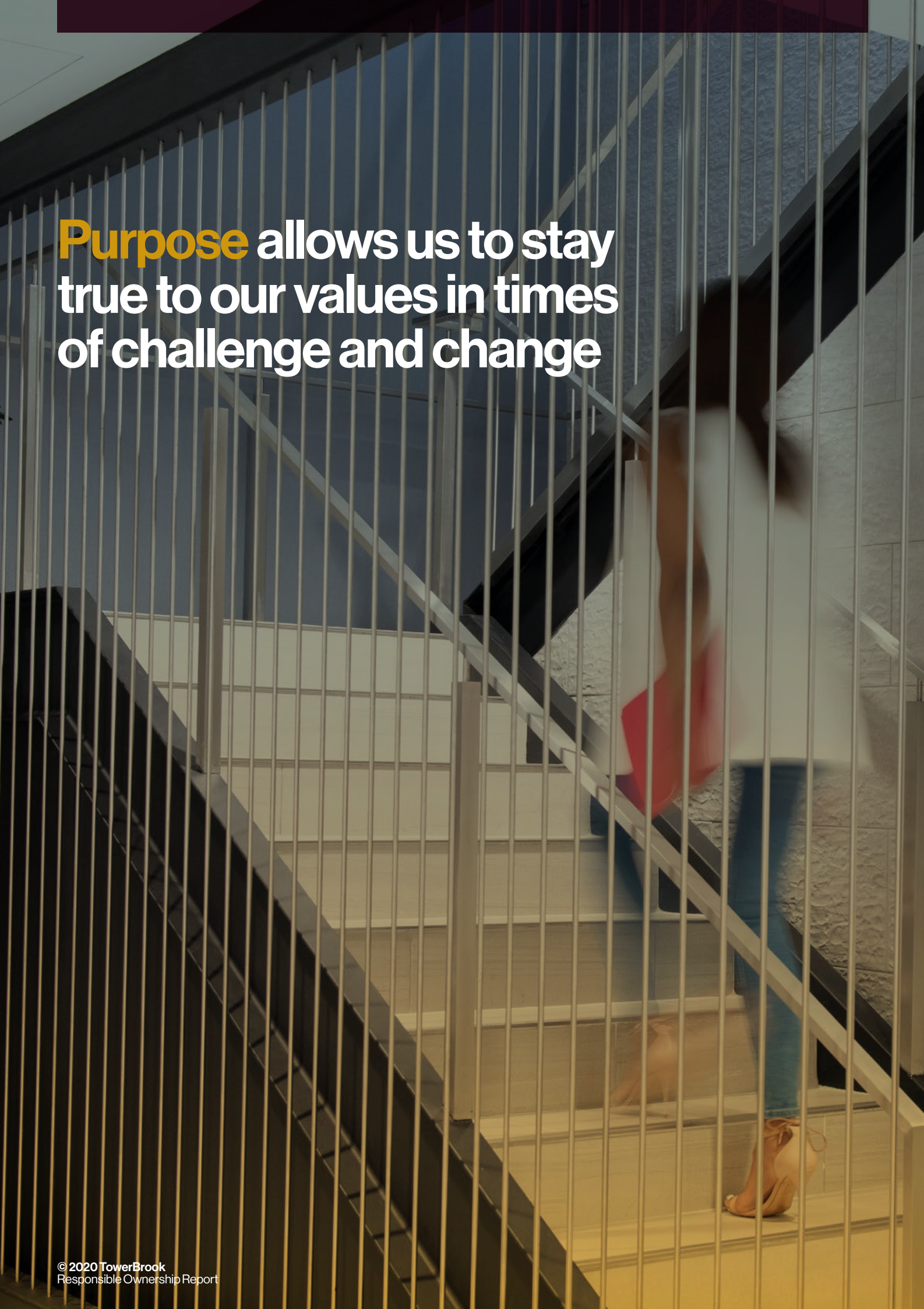
Teamwork and a collegial environment are central to our culture. We value honesty and humility. We respect the views of others and we encourage debate and intellectual curiosity.

We recruit outstanding people who are able to work across diverse cultures and regions as one team. We align our interests within our team and with our investors and management partners. We believe in supporting the local communities where we live and work.

Discipline & creativity: our business

We are committed to our strategy. This requires patience and discipline in identifying and developing investment opportunities.

We seek to partner closely with exceptional managers to drive value creation in all our investments. We encourage creative thinking: it fosters flexibility, resourcefulness and the entrepreneurial spirit.



Purpose allows us to stay true to our values in times of challenge and change

Letter from the Co-Chief Executives

The impact of change

We are living through a period of unprecedented change, not only on account of the global pandemic but also because of converging forces that are reshaping our world. Social media platforms are connecting us but also undermining the credibility of the information we rely on. Record-breaking extreme weather events are occurring with ever-increasing frequency, and climate change is now having a serious impact on our daily lives as well as damaging the global economy. The pandemic has shone a light on the inequities within our communities, and social cohesion is starting to fray.

We believe that private equity has an important role to play in confronting and finding solutions for these challenges by providing capital to build shared prosperity and creating opportunities for sustainable, profitable long-term investment.

The importance of purpose

It is at this moment that we look to TowerBrook's purpose as the compass that guides everything we do. Our strategy, our organisation and our culture are all rooted in our purpose. TowerBrook's purpose allows us to fulfil our mission while staying true to our values as responsible investors.

TowerBrook is committed to building better businesses, unlocking superior returns and delivering value for all our stakeholders, and we view responsible ownership as integral to our purpose. We seek to partner with management teams and employees who embrace our purpose and share our vision for the future of their companies.

Translating purpose into action

We are working, within our firm and in our portfolio companies, to translate purpose into action that promotes greater diversity, equity, inclusion and social justice. We are also supporting our portfolio companies to invest in innovative technologies and

efficient processes that either directly or indirectly have a beneficial effect on our environment, as well as on society. We aim to step up the pace of our responsible ownership journey and are redoubling our efforts to ensure that robust and effective governance is in place and acted on in all our portfolio companies.

We are delighted to report that, following our investment in our first Certified B Corporation®, KeHE, we supported a second portfolio company, AustroCel Hallein, to achieve certification in May 2020. These moves, together with TowerBrook's own certification as a B Corp™ last year, further sharpened our focus on the importance of developing metrics to help us track responsible ownership. This Report features data from our annual survey that helps us identify and capture value creation opportunities as well as highlighting areas where we can do more to mitigate risks. We have further strengthened both our Senior Advisory Board and Management Advisory Board, deepening our relationships with highly experienced executives with whom we partner to drive strategic and operational excellence throughout our portfolio.

Looking ahead

We are proud of TowerBrook's strong history of investment performance over twenty years. Our firm and our team continue to grow, in skills and experience as well as in numbers. We are excited about the numerous opportunities we have identified to partner with like-minded investors and managers to deploy purpose-driven value creation strategies and build excellent companies that are fit to face the challenges of our time.

Neal Moszkowski
Founder and Co-CEO

Ramez Sousou
Founder and Co-CEO



Planet

People

Partnership

Performance

Purpose

Deliberate action designed to cause positive change

Every person, product and organisation has an environmental and social impact. We refer to the footprint of a business to describe the side effects of its activity on the world around us: how much it consumes in terms of natural resources, how much it emits as greenhouse gases or other harmful substances, how much waste it produces. As well as having negative consequences for the planet, a company's footprint can have a wider social impact on the health of employees and the wellbeing of communities. Many types of disease, including respiratory illnesses, cancers, musculoskeletal disorders and stress-related issues can be caused or worsened by working conditions.

The handprint of a person, or a business, refers to a deliberate action that is designed to cause a positive change. There are two ways to create a handprint: the first is by reducing or preventing footprint, and the second is by realising tangible benefits that would not otherwise have occurred.⁷

Handprint and footprint are complementary. Actions to deliver energy savings, emissions reduction, environmental regeneration and changes in behaviour, for example in travel or food habits, reduce footprint and can also expand handprint. Positive actions tend to be self-reinforcing, promoting other positive actions that bring cumulative benefits over time.

One of the key differences between footprint and handprint is that, while a company can only decrease its footprint to a certain extent, the handprint it creates is scalable and has no upper limit.

Handprint should be measured in a way that is consistent with the measurement of footprint. This approach enables a business to set clear objectives for minimising footprint while maximising handprint.

Throughout this Report we highlight examples of TowerBrook portfolio companies that are working to increase their handprint in different ways, including by delivering resource efficiency, promoting recycling, ensuring safe working environments and supporting the development of employees and communities.

Responsible ownership is fundamental to our strategy for sustainable value creation

As a purpose-driven investment firm, TowerBrook is committed to responsible ownership. Responsible ownership considerations are integrated into every stage of our investment process and drive the development of policies, action plans and metrics for our portfolio companies.

We ensure that the Boards and management teams of our portfolio companies are familiar with our Responsible Ownership Statement, aligned with our values and principles, and equipped to put them into practice. The 200-day Plan that we develop for prospective portfolio companies includes relevant responsible ownership policies, together with procedures to implement these policies and monitor their effectiveness.

We partner with the management teams of our portfolio companies to ensure alignment on the strategy for value creation, agree on clear objectives and deliverables and set appropriate metrics to measure progress.

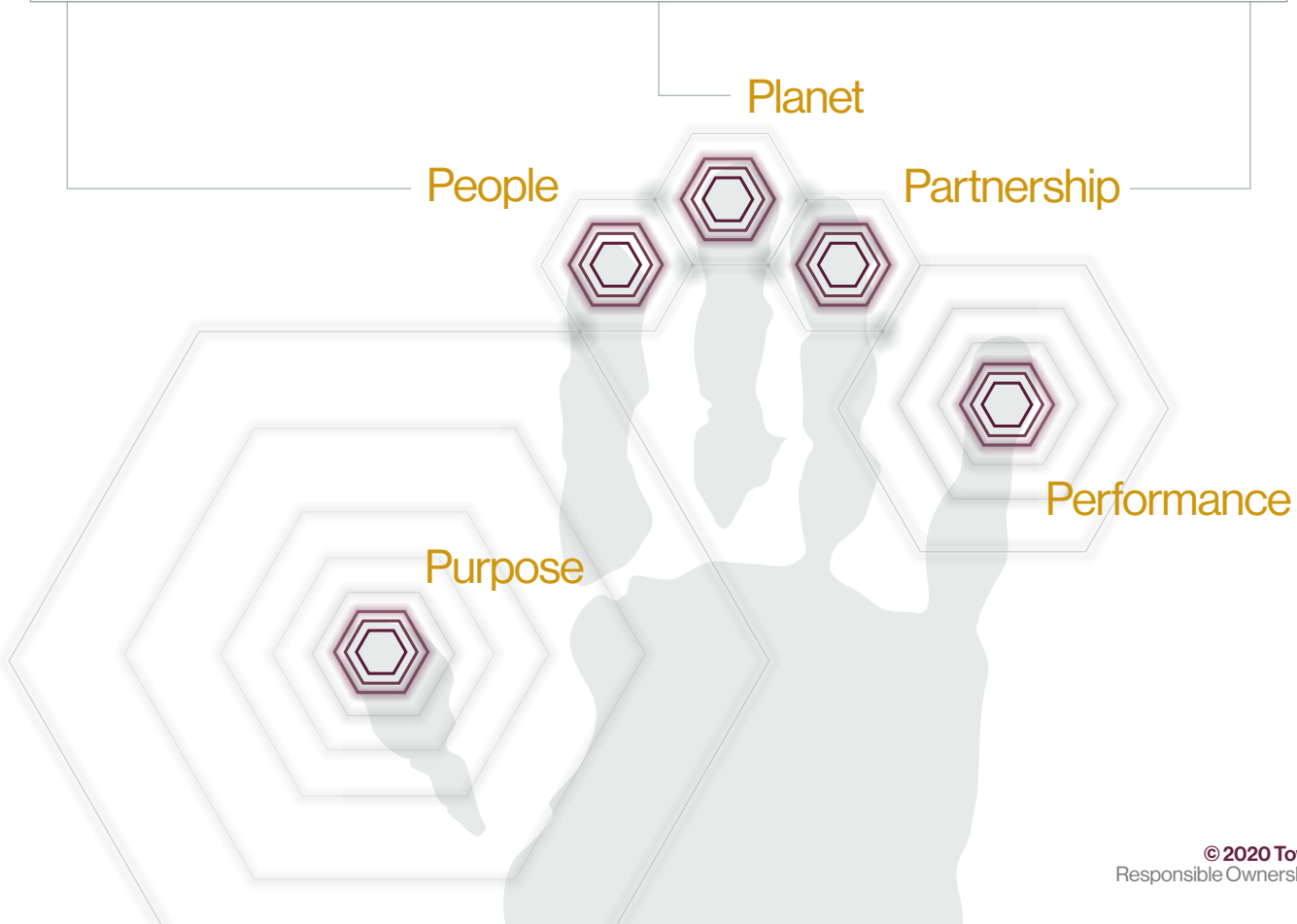
We describe TowerBrook’s approach to responsible ownership in terms of the five Ps that combine to shape our handprint. Starting from a shared **Purpose**, we focus on **People**, **Planet** and **Partnership**, all of which contribute to delivering the fifth P: **Performance**.

We hold ourselves and our portfolio companies accountable to our investors, their beneficiaries and all our stakeholders. We have formed a Responsible Ownership Committee, composed of senior TowerBrook professionals, tasked with the management and oversight of all aspects of responsible ownership and their integration into the strategy, activity and culture of TowerBrook in accordance with our purpose.

We take steps to ensure that this Statement and our corresponding practices are understood and shared across the TowerBrook team, our portfolio companies, key service providers and stakeholders. We keep this Statement, and our monitoring of the ways in which it is implemented, under continuous review.

Our Responsible Ownership Statement continues on the following spread.

Aligning our handprint with the UN’s Sustainable Development Goals




Purpose

is at the heart of our responsible ownership commitment



People



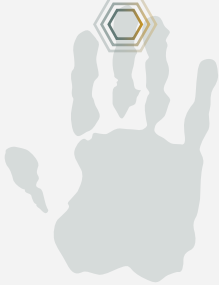
In addition to our commitment to comply with all applicable laws and regulations, we expect every member of the TowerBrook team to exemplify the highest standards of ethical conduct and to act with regard for the wellbeing, health and safety of others.

We support our portfolio companies to develop best practices in respect of working conditions, including the health, safety and wellbeing of their employees, their compensation structures and remuneration practices.

We also encourage our portfolio companies to take steps to further employee engagement and to enhance the availability of opportunities for ongoing professional development in the workplace.

We believe that a diverse and inclusive workforce embodying integrity, teamwork and respect for others will stimulate new ideas and lead to positive outcomes. We seek to encourage diversity in, and the development of, our people through recruitment and retention programmes as well as through training and mentoring. We expect our team and our partners, their employees and other stakeholders to treat others fairly and without prejudice in respect of gender, race, ethnic or national origin, socioeconomic status, immigration status, age, religion, sexual orientation or disability.

Planet




We believe we have a responsibility to promote effective stewardship of our planetary resources in order to protect the future. We support TowerBrook portfolio companies to manage their environmental performance effectively so as to minimise the impact of their business processes on the natural environment.

We encourage all the companies in which we invest to take a proactive approach to the management of their environmental footprint and to seize opportunities to further the positive impact they can have on their environment.

We monitor and support their efforts to incorporate sustainable environmental considerations into their practices, with particular regard to the consumption of energy, water and other resources, the use of raw materials, the impact of transport and travel, the elimination of waste and the reuse of materials where possible.

We work to ensure that we incorporate these and other environmental sustainability practices into the day-to-day activities of our firm, and we encourage our portfolio companies to do likewise.

Partnership



We approach governance as a true partnership with the management teams to whom we entrust the direction and development of TowerBrook's portfolio companies. We partner with the independent directors and Chairs of these companies in support of our responsible ownership objectives.


TowerBrook aims to put in place appropriate financing structures designed to enable our portfolio companies to meet their financial obligations, including during challenging trading conditions. This means that levels of debt will typically be set conservatively to enable companies to operate robustly, even in turbulent economic circumstances.

We require early implementation of effective governance and reporting structures in our portfolio companies. We expect Boards to meet all regulatory and compliance requirements, including those governing privacy and data security, and to adopt a comprehensive Code of Conduct, as well as formal policies and processes in respect of anti-bribery and money laundering regulations. We also expect Boards to introduce and enforce anti-harassment policies.

We seek to ensure that TowerBrook's investments do not support companies that maintain discriminatory or unethical practices. We actively encourage our portfolio companies to partner with their key suppliers to ensure that they also adopt policies that demonstrate a commitment to ethical behaviour and the respect of human rights.

Just as we expect our portfolio companies to rigorously manage enterprise risks, we monitor their efforts to track people, planet and partnership risks and to identify and act on linked value-creation opportunities.

Performance



We believe that responsible policies and practices concerning people, planet and partnership help drive long-term performance improvements in our portfolio companies and position them for sustainable growth.

An ongoing commitment to reporting transparently on our progress as a firm

PRI assessment and reporting

TowerBrook adheres to the United Nations Principles for Responsible Investment (PRI). In doing so, TowerBrook commits to investing in a manner that demonstrates our implementation of the PRI's six principles for responsible investment. TowerBrook also commits to reporting to the PRI annually in a transparent manner on our activities and our progress towards implementing the principles. As signatories, we are required to report on how we incorporate environmental, social and governance (ESG) issues into asset allocation, our governance framework, how we communicate and implement our policies and the resources we allocate to responsible investing.

The PRI provides reporting signatories with an assessment of their progress in responsible investment; this affords them an understanding of where their organisation sits in relation to peers at a local and global level, across asset classes, and over time. The assessment is designed to help signatories identify and prioritise areas for improvement, and to stimulate dialogue between signatories on responsible investment activities and processes.

The PRI assessment methodology can be found at unpri.org/signatories/about-pri-assessment. Both our Transparency Report and our Assessment Report are publicly available at towerbrook.com/responsible-ownership.

In 2020, TowerBrook received scores of: "A" (27/30) for Strategy & Governance; and "A" (28/30) for Private Equity-specific reporting.

TowerBrook in top decile of Prequin ESG transparency data

In 2020, Prequin published ESG transparency and risk data in order to support wider understanding of the full extent of disclosure around ESG in private markets.

This data is the outcome of a research and development programme to identify, collect, and make actionable a core set of ESG data designed specifically for private market participants.

Prequin has identified 37 transparency indicators derived from commonly accepted ESG data and engagement frameworks that are most applicable to the private market ecosystem. A consistent view of core ESG data across firms and funds provides GPs with a systematised dataset to facilitate the benchmarking of ESG performance in both pre- and post-investment processes.

Prequin aims to cover its entire database of GPs and LPs – more than 45,000 entities and more than 113,000 funds – using the ESG core data, where applicable.

Prequin's full breakdown of our publicly available ESG metrics, aligned with leading ESG disclosure frameworks including SASB, ILPA, TCFD and PRI, shows TowerBrook in the top decile for transparent reporting.



TowerBrook is the first mainstream private equity firm to achieve B Corp certification

B Corp certification

In achieving certification as a B Corp, TowerBrook joined a movement that now includes more than 3,500 B Corps around the world, including subsidiaries of Unilever, Danone and P&G and companies such as Natura and Patagonia. Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability. Certification is administered by the non-profit B Lab organisation and follows a rigorous assessment that evaluates the overall impact of a company on its employees, customers, environment and community.

Certified B Corporations make their B Impact Report transparent on the B Corp website. TowerBrook's Report can be viewed at: bcorporation.net/directory/towerbrook-capital-partners-lp.

Driving improvement with Build21

The certification of TowerBrook as a B Corp is an important milestone in our responsible ownership journey. Once a company becomes a Certified B Corporation, re-certification is required every 3 years.

TowerBrook was certified as a B Corp with a score of 95.6; the threshold for certification as a B Corp is 80. While we considered TowerBrook well-positioned on the B Corp scoring spectrum, at the same time we viewed this as a starting point for further improvement. In January 2020, leveraging our 200-day Plan methodology, we launched Build21, an internal programme to engage the global TowerBrook team in a set of initiatives designed to drive improvement in our performance ahead of our next B Impact Assessment in 2021.

Progress on Build21 continued in spite of COVID-19. The events of this year contributed to the acceleration of some initiatives, e.g., those focused on diversity, increased flexibility for working from home and increased support for employees.

To date, we have realised benefits from 14 separate initiatives addressing a range of social and environmental issues that affect our team, our portfolio companies, our investors and our communities. These include engaging with stakeholders and other players in our industry to raise awareness of the importance of improving social and environmental performance; identifying and developing new metrics to track progress in our portfolio companies; improving our employee onboarding process; improving employees' access to financial products; and enhancing our office sustainability practices.

“ B Corps form a community of leaders and drive a global movement of people using business to act as a force for good.

B Lab

Purpose in our portfolio

TowerBrook seeks to encourage its portfolio companies to develop their articulation of purpose and determine the actions that flow from it, both as responsible employers and as guardians of our environment for future generations. Companies that have already made headway on their journey of continuous improvement may decide to pursue certification as B Corps, as in the case of AustroCel Hallein, whose story is detailed on page 36.

We are partnering with our companies to help them conduct their own preliminary assessments, identify quick wins and, where appropriate, engage specialist advisors to accelerate progress.

We are working to improve our responsible ownership performance across all our activities

We are proud of our team culture at TowerBrook and we are working to ensure it grows and flourishes. Using the framework of our Build21 programme, outlined on page 13, we have embarked on initiatives to improve all aspects of our business, including TowerBrook’s performance as a responsible employer.

Furthering diversity and inclusion

TowerBrook’s senior-level Diversity and Inclusion Committee leads the development of our firmwide diversity and inclusion programme. We continue to work with our recruiters to promote diversity, inclusion and equity in recruitment, and the steps we have taken are increasingly having a tangible impact on the profile of our firm.

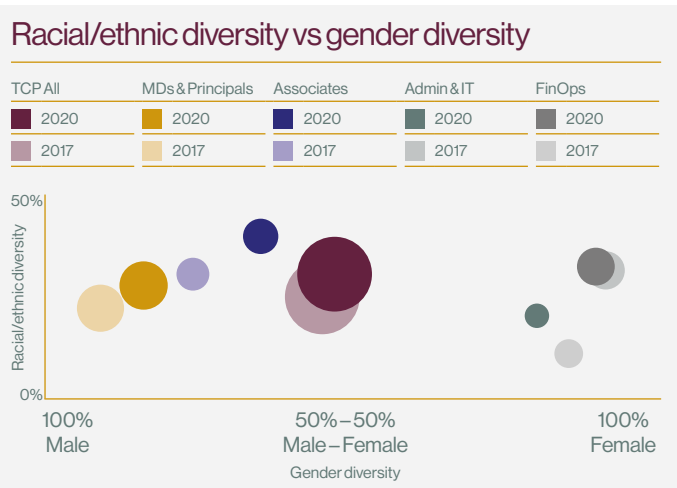
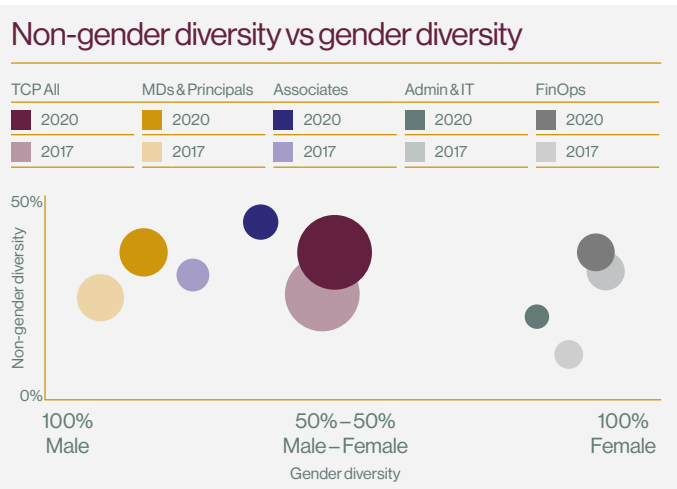
While the overall profile of the firm is now significantly more diverse than it was in 2017, we recognise that we have more work to do in this area, both around the collection and measurement of data and our ongoing initiatives to further improve diversity and inclusion. In 2020, we introduced a firmwide diversity survey that enabled team members to self-identify for both visible and non-visible diversity.

During 2020, we sought to further improve inclusivity in the workplace, introducing affinity groups for team members, refreshing our unconscious bias training and ensuring that feedback from our employees on our diversity and inclusion programme is collected and addressed by means of an annual culture survey.

To measure the impact of our efforts, our annual performance reviews incorporate a specific focus on diversity and inclusion, and are supported by mentorship and training programmes. More detail can be found in our Diversity and Inclusion Report, available at towerbrook.com/responsible-ownership.

The charts below show the movement in both gender diversity and non-gender diversity, including racial/ethnic diversity, across different functions in the TowerBrook team over the last three years.

TowerBrook defines non-gender diversity to include racial and ethnic diversity, sexual orientation and age. In both of the charts shown here, the category ‘MDs and Principals’ includes Senior Advisors and Co-CEOs.



Taking care of our team

In February 2020, at the onset of the COVID-19 pandemic, we moved to limit external meetings and travel and we closed our offices before the imposition of lockdown orders. With the switch to working from home, we focused on employee welfare, investing in home office equipment, increasing the pace of internal communication, enhancing our mentoring programme and setting up a health and wellness task force that publishes a regular newsletter and has successfully engaged our team members in a wide range of activities to enhance their physical and mental wellbeing. We also made interest-free hardship loans available to all team members.

In October 2020, we made several further enhancements to our employee policies. This included implementing policies in a number of areas where we already had an informal practice in place but did not have a formal, articulated policy.

We have improved our policies on leave for the purposes of professional development, volunteering and voting; and we now offer enhanced provisions for bereavement leave. Our Employee Handbook reflects improved policies for remote working health and safety and home office equipment needs. The Handbook also includes a section on environmental policies, described below.

Reducing our carbon footprint

TowerBrook’s London offices are located in St. James’s Market, a new development designed to meet a number of sustainability principles. Solar panels fitted on roofs harness energy from the sun to feed the building’s electricity demands. Combined heat and power technology reuses the heat generated from this equipment, reducing overall energy use and carbon emissions. In February 2019, a recycling improvement plan was introduced as part of a comprehensive waste strategy that aims to promote and achieve a zero-waste solution for the development.

In New York, TowerBrook occupies offices in Park Avenue Tower, an energy-efficient building where recent, major upgrade projects to heating, ventilation and air-conditioning (HVAC) systems have enabled significant energy savings and reduced carbon emissions.

In 2019, we set out to improve our carbon footprint calculation methodology, taking a detailed, bottom-up approach to data collection and calculating carbon emissions on a per trip/activity level specific to TowerBrook rather than using generic assumptions.

As a B Corp, TowerBrook subscribes to the Greenhouse Gas (GHG) Protocol, the most widely used international tool for business to understand, quantify and manage greenhouse gas emissions. The majority of TowerBrook’s carbon footprint is generated from Scope III emissions, driven primarily by building emissions at our offices and air travel. Based on a methodology that we developed in conjunction with B Lab and Carbon Fund, whereby we refined and expanded the inputs considered for our calculations, TowerBrook’s GHG emissions for 2018 and 2019 were 1,390 metric tonnes and 1,371 metric tonnes, respectively.

In 2019, our London and New York offices recycled a total of 12,224kg (26, 949lbs) of waste paper, reducing CO₂ emissions by 15,122kg (33,338lbs). At the start of 2020, we intensified our efforts to reduce waste and recycle more, introducing new protocols for the separation of waste and a target of recycling 70% of all waste, including paper, packaging, food and glass. We partner with carbon-offset projects verified by recognised third parties and held to industry standards.

Although COVID-19 has resulted in less business travel, together with lower footfall in our offices, we continue to develop and refine our process, measuring key metrics and drivers of carbon emissions and using the data to drive change and improvement at TowerBrook.

Our Employee Handbook now includes formal policies on local and environmentally preferable purchasing. TowerBrook will use reasonable efforts to source from vendors (such as caterers, office suppliers, etc.) who are local to office areas, and will prioritise the purchase of environmentally preferable products wherever practicable. Our policy on the safe disposal of all electronic office equipment and batteries has been expanded to apply to home offices.

TowerBrook’s Frankfurt and Madrid offices, and our portfolio holding company office in Amsterdam, have also implemented policies designed to promote environmental sustainability and energy efficiency. These include recycling initiatives, the use of energy-efficient appliances and the reduction of paper waste, including from printing. We continue to work to improve responsible environmental practices in all our offices.

For more detail on TowerBrook’s engagement with climate initiatives, see page 33.

Our responsible ownership objectives are integrated into every stage of our investment process

Key steps

1 Deciding to partner

2 During investment

3 Preparing for exit

Deciding to partner

Engaging in extensive diligence

As soon as we have identified a company for potential investment, we focus both on risks to be addressed and on our prospective handprint as responsible owners of the business. A seller who is concerned to make the right decision for the business also tends to select for values, which can be a decisive factor in choosing to partner with TowerBrook.

We then conduct extensive diligence related to the company’s industry and its specific risk profile. If diligence identifies material issues, our Transaction Committee evaluates whether the issues can be managed, remediated or mitigated in a responsible manner.

The 200-day Plan we develop with each prospective PE portfolio company, and TSO structured investment where applicable, includes business-specific responsible ownership action items together with procedures to implement, monitor and test the effectiveness of the policy.

CarTrawler

FTEs	412
Sales (FY 2019 ^o)	€200.7 million
Investment date	May 15, 2020 (PE V)

CarTrawler is a B2B provider of car rental and mobility solutions to the global travel industry. While the travel sector faces a period of acute pressure due to COVID-19, CarTrawler’s broad offer, sophisticated data capabilities and longstanding partnerships position it for future growth.

CarTrawler supports rental companies to deploy their fleets more efficiently. With a history of awards in customer experience and management excellence, together with its best-in-class people practices, CarTrawler’s values, policies and processes are a good fit with TowerBrook’s approach to responsible ownership.

“CarTrawler, like many other businesses impacted by the COVID-19 pandemic, required a new financial sponsor to inject equity into the business at seriously short notice. With an evident commitment to purpose, the TowerBrook team demonstrated exceptional focus, agility and the ability to navigate at pace the complexities of the situation under a very tight timeline.

The TowerBrook team wholeheartedly bought into the existing management team and our strategy, which meant we could get back to focusing on running the business as quickly as possible once the transaction was complete. Since completion TowerBrook have remained true to their values and the commitments they made during the deal process, and have continued to be very supportive of management during an ongoing period of uncertainty. TowerBrook’s support system and extensive network have also proved invaluable.

Cormac Barry
CEO, CarTrawler

”

During investment

2

Partnering for improvement

Following closing of an investment, we discuss the importance of responsible ownership issues explicitly with the Chairs and CEOs of our controlled portfolio companies.

As part of our 200-day Plan, we seek to ensure that all our portfolio companies have instituted a Code of Conduct together with other formal business ethical policies. In all our controlled portfolio companies, TowerBrook encourages the development of bespoke responsible ownership metrics that are reviewed by the Board on a regular basis.

We also encourage management teams to engage directly with their suppliers to verify that they have sound responsible ownership practices.

TowerBrook partners with management teams in each controlled portfolio company to develop and monitor the action plan that will allow the company to address relevant opportunities for improvement.

“

When I first met TowerBrook, I was struck by their approach to both businesses and relationships. They are straightforward and transparent, and they have a really strong way of partnering with management and adding value as an investor.

Cathy Stauffer
Chair, BevMo!
Member, TowerBrook Senior Advisory Board

”

BevMo!

FTEs	920
Sales (FY 2020 ⁹)	\$769.0 million
Investment date	February 27, 2007 (PE II)

BevMo! is one of the largest specialty retailers of wines, spirits and related items in the U.S. The company operates approximately 160 stores across California, Arizona and Washington, carrying a range that includes more than 3,800 wines, 2,400 craft beers, a wide variety of spirits and numerous ancillary products ranging from snacks to glassware. With a large, loyal, affluent customer base, BevMo! operates a membership rewards programme and has received numerous awards from Wine Enthusiast and other industry publications for its informed and engaging customer service.

TowerBrook has been an active partner in supporting the development of BevMo! since investment. Our plan at the time of acquisition focused on operational improvement, management excellence and robust governance. Since then, we have worked with the leadership team to make numerous strategic initiatives a reality, including geographic expansion, digital customer engagement and centralised inventory procurement and distribution. We also complemented the original management team with several key additions and constructed a strong and diversified Board with the appointment of two new independent directors, including Cathy Stauffer as Chair.

BevMo! is committed to promoting greater diversity, actively recruiting through organisations and services designed for people from underrepresented groups and using objective scorecards to evaluate applicants after interviews. The company offers employees a comprehensive health insurance programme and has put in place new health and wellness benefits to help employees through the pandemic. All employees are eligible to participate in a profit-sharing plan.

Preparing for exit

3

Positioning better businesses

Prior to exit, we examine our complete handprint as responsible owners and work to translate actions taken into value added – for example, higher revenues, lower costs, less waste, enhanced brand equity, better access to talent, etc.

Where practicable, we use bottom-up accounting methodologies to identify the specific contribution of a responsible ownership initiative or programme.

We endeavour to address outstanding matters and make full disclosure of any material issues to prospective purchasers. Transparency about what remains to be done, as well as about what has been done, is important in building trust and establishing an appropriate valuation.

“

It has been a pleasure to work with the team at TowerBrook from its initial investment in 2014 right the way through to exit in 2020. Partnering with TowerBrook, we witnessed first-hand the link between the firm's steadfast adherence to its values and principles and the team's ability to create value for all ICS shareholders. TowerBrook always encouraged us to invest in acquisitions and organic growth, including digital initiatives and international expansion. In 2015/16, when we were confronted with regulatory headwinds, TowerBrook remained committed to our management team and to the longer-term investment in our business. I have no doubt that as a result of this, ICS emerged a stronger and a more diverse company.

Richard MacMillan
Former CEO, ICS

”

ICS

FTEs	1,850
Sales (FY 2019)	£655.6 million
Investment date	July 11, 2014 (PE IV)
Exit date	September 18, 2020

ICS provides specialised staffing, workforce management solutions and managed services to the healthcare, social-care and life sciences sectors internationally.

ICS's reputation for strong clinical governance was identified by potential buyers as a key competitive differentiator that allowed ICS to expand into new staffing and service offerings. There are more than 50 FTEs across ICS dedicated to providing clinical and recruitment compliance support.

In 2019, the ICS Board appointed advisors to sell the business and we entered into formal discussions with bidders in early 2020. The preferred partner was appointed at the start of the pandemic in March. Undeterred, the TowerBrook team applied a practical, common-sense approach to ensure that all parties worked towards a successful completion in September 2020.

I am delighted TowerBrook has retained an investment in ICS as the business enters its next phase.

We are committed to transparency with our investors and our portfolio companies, reporting to them annually on our responsible ownership performance

Our survey

TowerBrook's annual Responsible Ownership Survey broadens and deepens our understanding of where and how we can support responsible policies and practices in the companies in which we invest. Our survey highlights a number of areas where we, and our portfolio companies, can make improvements and build better, more valuable businesses.

Our methodology

TowerBrook's survey methodology is anchored in the standards proposed by the Sustainable Accounting Standards Board (SASB), which are grounded in materiality and value creation. This year, we have continued to build on the SASB framework, incorporating many of the elements of the B Impact Assessment to give us further insight into how our companies' activities affect their key stakeholders and communities. We also added a number of questions about the impact of COVID-19 and the actions taken by companies during the pandemic, as well as expanding our questions around carbon footprint and climate change. We continue to work to develop our metrics in a way that will allow us to track and report on progress over time.

Survey framework

The diagram on the opposite page shows how our survey framework maps to our Responsible Ownership Statement.

We recognise that policies and practices are interconnected and do not lend themselves to such neat division in real life. For example, greater product efficiency is likely to benefit people as well as planet, and attention paid to data security has as much to do with respect for the individual as it does with good corporate behaviour.

With that in mind, this diagram is intended to serve as a guide to the topics we explore in our annual survey of our portfolio companies. Our key findings in some of the areas listed here are discussed on the following pages.

Purpose

is at the heart of our responsible ownership commitment

People

Planet






Partnership

Working conditions	People management	Inputs	Outputs	Corporate governance	Behaviour
Health, safety and wellbeing	Diversity and inclusion	Environmental policy		Board	Action and accountability
Reward and remuneration	Recruitment and training	Raw materials	Emissions	Business ethical policies	Privacy and data security
People development	Employee engagement	Energy management	Waste	Reporting to stakeholders	Culture and community
		Water use	Product efficiency		

Performance

We believe that responsible policies and practices concerning people, planet and partnership help drive long-term performance improvements in our portfolio companies and position them for sustainable growth.

25 of our portfolio companies¹⁰ were surveyed for this Report

	 Consumer and Distribution	 Financial Services	 Healthcare & Healthcare Services	 Industrials	 TMT & Knowledge
PE	BevMo! J.Jill Kaporal KeHE	Orchid Rewards Network	Compassus ICS R1 TRIMEDX	ACPS Automotive Aernnova AustroCel Hallein Sabena technics	Infopro Digital TLN
TSO	JJA	Access Financial Law Finance Group Validity		GBA	Data Center Gravity Media Group La Maison Bleue OVH

Materiality enables effective management

Materiality varies by sector and by industry. For example, energy and water management and greenhouse gas emissions are material issues for industrial and consumer companies but are less material for those in the financial services sector.

A major study¹¹ found that firms with good performance on material sustainability issues significantly outperform firms with poor performance on these issues.

“A sustainable approach to management and corporate responsibility has always been at the heart of the Dr. Oetker family business. Based on our fundamental philosophy of reconciling commercial success with the needs of the environment, our employees and society, we do not consider our company to be simply a service provider that is quantified by turnover and profit.

Albert Christmann
CEO, Dr. Oetker

Disclosure drives better decisions

The Task Force on Climate-related Financial Disclosures (TCFD) has recently noted¹² a significant increase in the level of support for its recommendations, with nearly 60% of the world's largest public companies supporting the TCFD, reporting in line with its recommendations, or both. Its 2020 Status Report also highlights the continuing need for progress in improving levels of TCFD-aligned disclosures given the urgent demand for consistency and comparability in reporting. Wherever possible, TowerBrook supports its portfolio companies to elevate the importance of this area and to accelerate progress in reporting.



On the contrary, we see ourselves as a social unit within society as a whole. We were delighted to find a reflection of our values in TowerBrook.

“We are excited to partner with TowerBrook, a purpose-led firm committed to building better businesses that have a positive impact on society. The firm’s history of robust partnerships with its portfolio companies and investors over the past twenty years makes TowerBrook an ideal partner for Dyal. We understand that material ESG factors can lead to growth and outperformance and look forward to supporting TowerBrook’s further expansion and development in the years ahead.”

Dyal Capital Partners

People

For more information, please use the QR code or click on the cover of our report **Diversity and Inclusion at TowerBrook**.

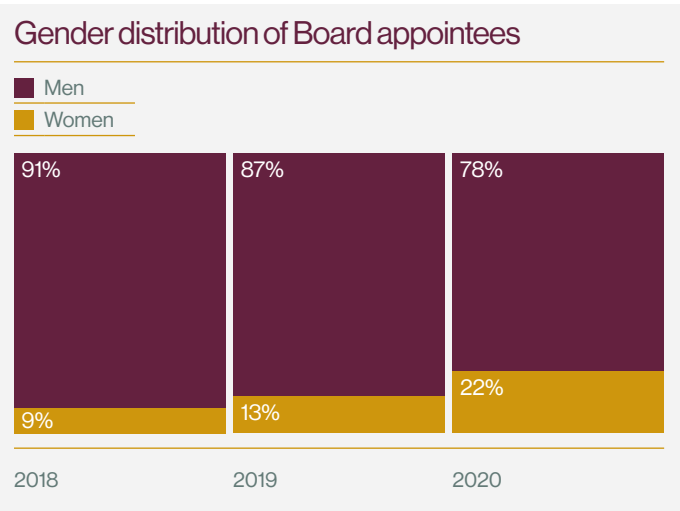


Promoting diversity and inclusion



We believe that companies that foster a truly inclusive culture can fulfil their purpose, achieve their full potential and have a positive impact on society. More than half of companies surveyed report positive action in three out of four key areas around recruitment, and we want to see this figure improve further. We continue to work with our controlled portfolio companies to help them refine data collection as appropriate, according to the jurisdiction in which they are located.

Board composition



We are actively seeking greater governance diversity and are redoubling our efforts to ensure that our portfolio company Boards not only include more women, but are more representative of society as a whole. In 2020, we introduced new policies for the appointment of independent directors that reflect TowerBrook’s commitment to improving Board representation by women and underrepresented racial and ethnic groups.



We view diversity, equity and inclusion as a strategic priority for Boards and this data provides a spur to accelerate progress in this area.

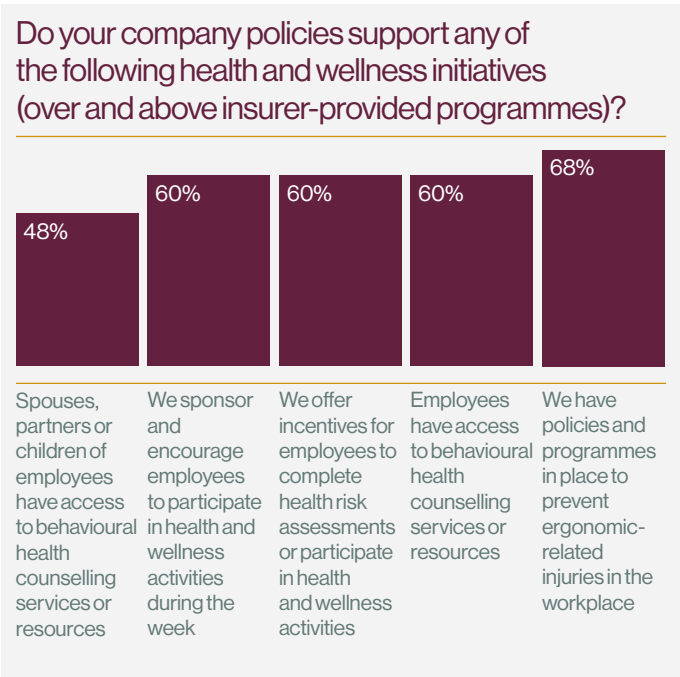
“

We asked employees about their engagement and the results are very good. Employees feel good in a company that takes care of them, makes the right decisions and offers them a fulfilling work environment.

”

OVHcloud

Health and wellness



23 companies (92% of all respondents) mentioned at least one area in which they support employees over and above the provisions of their company insurance programmes.

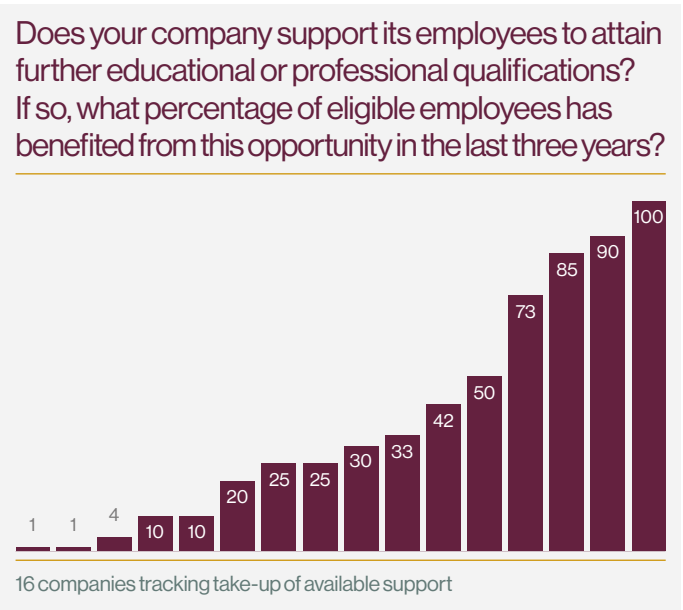
Employee engagement

24 companies (96% of all respondents) have some kind of formal process to help them measure the extent to which their employees engage with their business. In ‘Other’, respondents cited a range of initiatives including psychosocial risk assessments, culture surveys, individual interviews with employees and regular town hall meetings.

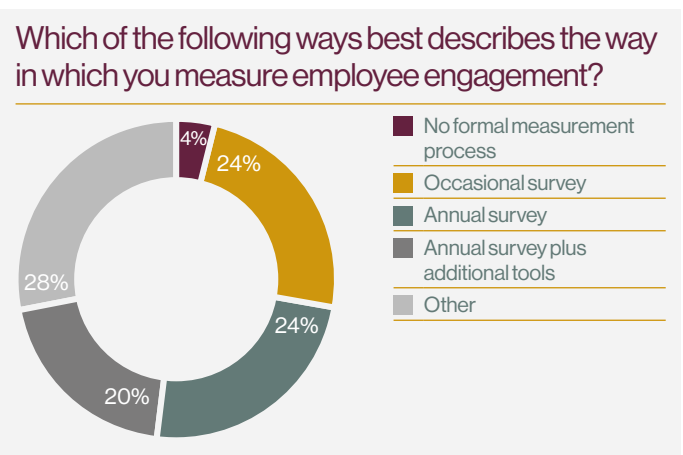
46% of companies surveyed reported an increase in levels of employee engagement in 2020, attributing this to a range of factors including COVID-19, changing employee expectations and company growth.

Recent research¹³ among U.S.-based employees found that companies’ responses to the COVID-19 crisis are having a tangible effect on their people, noting that organisations can build on the trust they have earned during this time to embed positive, sustainable change.

Professional development



100% of respondents support their employees to attain further educational and professional qualifications. Of the 16 companies that track take-up of this support, 4 report that more than 70% of their employees have benefited from the opportunities available to them over the last three years.



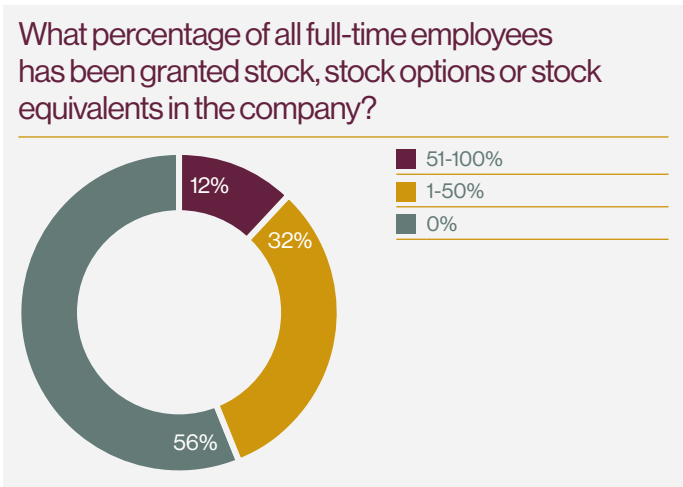


People

Employee participation

Employees increasingly expect flexibility, transparency and the opportunity to participate in the company’s success

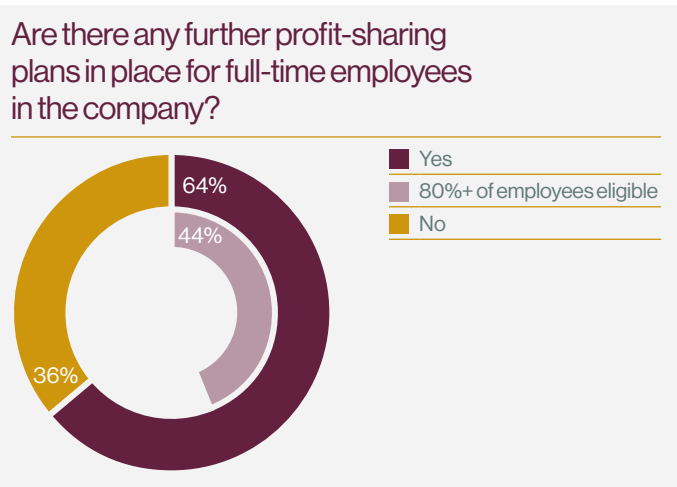
Reward and remuneration



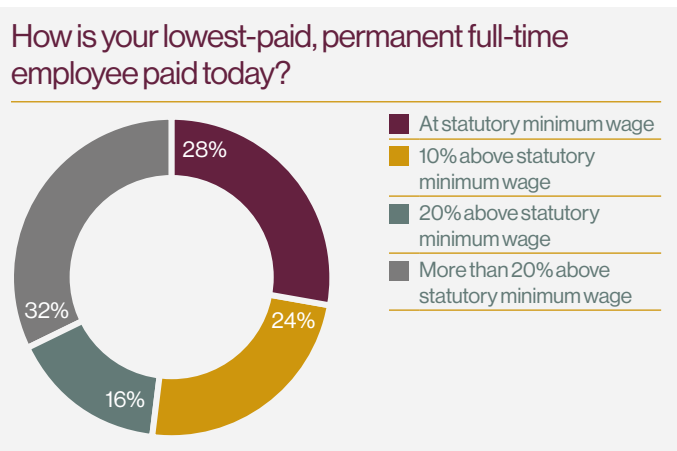
Alongside any management equity plans set up by TowerBrook for its portfolio companies, 11 companies (44% of all respondents) grant stock, stock options or equivalents, including participation in an ESOP or otherwise qualified ownership plan.

As expected, all companies pay at least statutory minimum wage, and 72% pay above the statutory minimum level. We encourage our portfolio companies to review and benchmark data in this area in order to pursue a compensation philosophy that aligns both with their talent management needs and resources and with their culture, mission, values and strategic objectives.

See opposite for information on TowerBrook’s Living Wage Project.



16 companies (64% of all respondents) have further measures to encourage profit participation. Of these, 11 companies (44% of all respondents) reported that more than 80% of their employees are eligible for enrolment in a profit-sharing plan.



The Living Wage Project

TowerBrook is partnering with Business for Social Responsibility (BSR™) to develop a Living Wage Project designed to help portfolio companies become better, more sustainable businesses. BSR is a global non-profit organisation that works with its network of more than 250 member companies and other partners to develop business strategies and solutions to help build a just and sustainable world.

Economic pressures, exacerbated by the pandemic, together with expanding levels of inequality and the growth of automation and digitisation, pose significant challenges to traditional models of employment. Despite these challenges, it is our belief that responsible employment practices are powerful drivers of business value, and that employers should pay wages that allow employees to purchase the goods and services necessary to achieve a basic standard of living.

In the initial phase of our partnership, BSR is providing support to TowerBrook to help us develop a living wage calculation methodology and engage with our portfolio companies and their stakeholders to assess their internal data to determine whether they are consistently offering a living wage to all employees in different localities. We intend to report further on our Living Wage Project as it progresses.

“ BSR has been working on living wages for 15 years across a variety of industries, but never has the potential impact of a living wage analysis been greater than in this project with TowerBrook, given the immense influence of the private equity sector. ”

Roger McElrath
Associate Director, BSR

For more information about BSR, please use the QR code or visit its website by clicking [here](#).





TowerBrook support for new initiatives



BWAM

TowerBrook is a founding sponsor of Black Women in Asset Management (BWAM), a U.K.-based organisation of professionals in the asset management industry aligned around a common goal to advance and retain Black women leaders across all investment strategies. BWAM’s mission is to champion the positive impact of the talented Black women who work in asset management and provide the tools that will enable them to thrive.

Since inception in 2019, BWAM has organised numerous events including webinars, panel discussions and development workshops that provide the soft and hard skills needed to advance in the workplace. Its Leadership Series offers an opportunity to hear from women leaders who are inspiring change and inclusion in their fields.

BWAM is committed to advancing the role and contributions of Black women in asset management and preparing the next generation of leaders by running an expanding programme of potentially career-changing events and networking opportunities.

BWAM’s growing networks of expertise include diverse investment professionals, intermediaries, advisors, senior executives and sector experts.

To learn more about BWAM and its work, click [here](#).



I think BWAM is a necessary group. I can see it being a great and important resource for those who were present, those who will join in the future and the organisations we work in.

PE investment professional
Member of BWAM



#100BLACK
INTERNS

#100BlackInterns

TowerBrook became one of the 80 founding investment management firms to support the #100BlackInterns initiative to provide at least 100 internships to Black students across the U.K. to help improve diversity in the investment management industry. The initiative proved so successful that by September 2020, 200 firms had signed up to take part and the number of internships to be offered had risen to 200.



TowerBrook is proud to participate in the #100BlackInterns programme to provide at least 100 internships for Black candidates each year across the investment management industry. TowerBrook is committed to supporting a diverse and inclusive workforce that encourages new ideas and perspectives. We believe passionately that diverse and inclusive teams make better decisions and build better businesses. Our industry has seen significant underrepresentation of Black talent and we look forward to being a part of this initiative to drive change.

Ramez Sousou
Co-CEO, TowerBrook



OppNet

The Opportunity Network (OppNet) is a U.S.-based organisation with nearly 20 years’ experience in connecting students from underrepresented communities to education and employment. TowerBrook will welcome two interns in Summer 2021 as part of Opportunity Ignited, an internship programme designed in partnership between OppNet and Dyal Capital Partners, that supports the development of the next generation of diverse leaders in investment management.

Rewards Network

FTEs	318
Sales (FY 2019)	\$115.4 million
Investment date	September 29, 2017 (PE IV)

Rewards Network is a fintech company providing marketing, loyalty rewards programmes and capital for the U.S. restaurant industry.

In 2018, the company launched the first of several Employee Resource Groups, in which employees from all around the U.S. and from every level of the organisation can discuss shared experiences, network with colleagues and support each other to thrive in the workplace. These groups include the Women Leaders Group, the RN Veterans’ Network and the LGBTQIA+ Pride Group as well as the Black Engagement Network.

Black History Month

In February, Rewards Network celebrated Black History Month for the first time in the company’s history.

Originated in 1926 by Black historian and Harvard Ph.D. graduate Carter G. Woodson, Black History Month is a time to recognise and celebrate the contributions of African Americans to U.S. society and to learn more about a rich heritage rooted in courage and perseverance.

Throughout February, Rewards Network curated a thought-provoking programme of events and discussions highlighting the work and achievements of the men and women who fought for civil rights and against a culture of widespread inequality. Events included a networking luncheon hosted by the Black History Month Culture Team Task Force.



I believe it’s important to have a space for all employees to be able to have conversations about challenges that Black employees face and how people can be allies. These dialogues are the foundation of actionable steps towards equality, equity, and a more inclusive environment.

Sylvia Terry
Director of Customer Success, Rewards Network



As part of its Black History Month celebration, Rewards Network invited all employees to participate in a voluntary fundraiser for Black Girls Code, a not-for-profit organisation focused on empowering girls of colour aged 7 to 17 to become innovators in STEM fields, leaders in their communities and builders of their own futures through exposure to computer science and technology. For more about Black Girls Code, click [here](#).

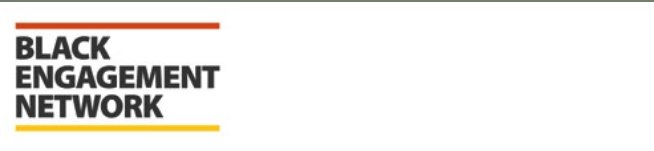
Black Engagement Network

In September 2020, Rewards Network launched the Black Engagement Network (BEN). BEN is a resource group focused on both supporting Black employees and providing a platform to engage with all Rewards Network employees on the topics of race and justice.

BEN’s vision is to create a diverse and inclusive company by driving awareness about equality and celebrating a culture that represents our uniqueness. BEN sponsors events for all RN employees, encouraging education, engagement and sharing in a safe environment.

Guiding principles for the events and activities sponsored by BEN:

- Treat others as you want to be treated
- Listen and learn
- Educate yourself and others
- Be transparent in every action
- Make a difference



Read more about the Black Engagement Network on LinkedIn by clicking [here](#).

People
Supporting employees



TRIMEDX

FTEs	2,780
Sales (FY 2019)	\$1,059.0 million
Investment date	May 2, 2016 (PE IV)

TRIMEDX is the largest, independent, provider-driven, clinical asset management organisation in the U.S. The company utilises its proprietary, highly integrated technology and commercial infrastructure to provide a differentiated, value-added clinical engineering solution to healthcare providers, enabling them to optimise the total cost of ownership for their large fleets of medical equipment and devices.

TRIMEDX has made a commitment to its associates, defining an Associate Value Proposition encompassing the whole range of programmes, benefits and rewards that allow associates to grow and achieve within a purposeful, inclusive culture.

In 2019, the TRIMEDX Women's Conference welcomed 130 attendees. Feedback was extremely positive, with the large majority saying the event boosted their confidence and powered the growth of their professional networks.

In November 2020, the company hosted a virtual Women's Leadership Conference with 150 attendees, keynote speakers, virtual breakout sessions for networking and learning and a Women's Leadership Awards ceremony.

TRIMEDX has introduced a mentoring programme that offers individual associates the opportunity to build relationships, transfer knowledge, make meaningful connections and develop with another's support. A one-year programme has been designed, with 75 internal mentoring relationships available for 2020-2021, all within a framework that provides support for pairing, learning, and reporting programme effectiveness. If the programme proves successful the intention is to expand it in subsequent years, with mentees becoming mentors, and so on.

Right: TRIMEDX issued a series of one-page guides summarising key tips for team leaders and associates in a range of areas, supporting the company's smooth transition to working from home

TRIMEDX offers extensive support and resources to help associates navigate the COVID-19 pandemic safely and effectively. A reporting process was established for associates to report suspected and confirmed cases, and enhanced support, including 100% salary continuation, is provided for associates who test positive due to a confirmed workplace exposure.

The company also eliminated co-pays for COVID-related expenses and engaged Teladoc to offer telemedicine to all associates.

TRIMEDX updated its flexible and remote working policies and developed a suite of tools to support remote working, talent acquisition and leadership development in a virtual environment. Some of these are illustrated below.

Leader Virtual Interview Guide

Be Timely

Explain the Process

Make Interviewer's Job Easy

Take Detailed Notes

Close the Loop

Tip 1: Be Timely
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 2: Explain the Process
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 3: Make Interviewer's Job Easy
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 4: Take Detailed Notes
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 5: Close the Loop
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Applicant Virtual Interview Guide

Test Your Tech

Set the Scene

Do Your Homework

Take Notes

Close the Loop

Tip 1: Test Your Tech
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 2: Set the Scene
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 3: Do Your Homework
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 4: Take Notes
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Tip 5: Close the Loop
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Leading Virtual Teams Effectively

Build Trust

Empower Your Team

Communication Cadence

Encourage Teamwork

Cash & Praise

Tip 1: Build Trust Throughout Your Team
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 2: Empower Your Team
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 3: Create a Communication Cadence
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 4: Promote Teamwork
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 5: Cash & Praise
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Encouraging Associate Well-Being

Establish Purpose

Allow Flexibility

Active Learning

Build Community

Support Healthy Choices

Tip 1: Establish Purpose
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 2: Allow Flexibility in Working Hours
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 3: Use Active Learning
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 4: Build Community
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

Tip 5: Support Healthy Choices
View the interview as an opportunity to create amazing experiences for candidates with TRIMEDX. Be sure they are on time for a consistent. Networks of key roles are small, and your interview experiences will be passed along quickly. Please be sure to be on time to the virtual interview and have your video ready to go. It is best practice to email at least 10 minutes before the interview to ensure the interview is successful.

ICS

FTEs	1,850
Sales (FY 2019)	£655.6 million
Investment date	July 11, 2014 (PE IV)

Active across four continents, ICS plays a vital role in private and public healthcare systems, providing solutions to address the structural imbalances between workforce supply and demand, and delivering preventative care and community services that support hospitals and other healthcare providers, as well as the clinical activities of life sciences companies.

ICS's wellbeing strategy is centred on four core areas: emotional, physical, financial and social. A number of initiatives support these four areas, and they were tailored to support employees during the COVID-19 pandemic.

The business offered virtual coaching, both individually and in group sessions, covering the essentials of mental health, how to cope under pressure, how to build resilience and many more topics.

Virtual fitness sessions were held, a series of practical guides was produced and the business communicated daily to raise awareness and inspire staff to make their wellbeing a priority. A wellbeing hub was created on the ICS intranet to serve as a comprehensive source of information.

A number of mini-surveys were carried out during the pandemic, and the company's efforts with regard to wellbeing generated overwhelmingly positive feedback.

ICS strives to build an inclusive culture and works closely with its hiring managers to build role profiles, assessing and eliminating language that may discriminate or dissuade certain candidates from applying for positions. Training is offered to hiring managers on tackling unconscious bias in the recruitment process, as well as general interviewing techniques and how to write a role profile in order to ensure that opportunities are accessible to all candidates and that they are considered equally.

Right: ICS aims to be the first choice partner for health, life sciences and social care professionals and providers

In 2020, the business appointed Diversity and Inclusion Champions to help develop the group's D&I strategy. ICS has also invested in external experts to help educate employees and the senior management team.

Initial steps identified include commissioning a D&I audit that will help the business to understand more about the makeup of employees and areas requiring targeted D&I intervention.

D&I network groups have also been formed to represent various diversity strands and provide a platform for groups to elevate their voices and shape the D&I agenda.

Over the past two years, ICS has been engaged in a long-term, company-wide strategic initiative to create a culture of feedback and accountability supported by real-time engagement. Voluntary turnover fell from 38% in December 2017 to 31% in December 2018 and to 28% in April 2019. Overall turnover decreased from 48% to 34% over the same timeframe.

Notwithstanding the pandemic, ICS has made an ongoing commitment to building a supportive business that offers opportunities for all, and believes its actions will result in positive outcomes for employee retention and attraction.



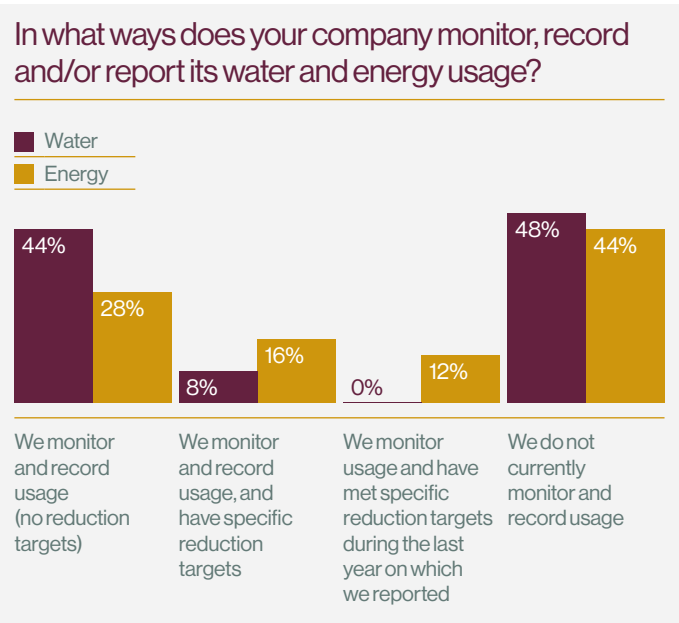


Planet

Resource management

Focusing on resource efficiency is indicative of management excellence, which drives broader value creation

Water and energy usage

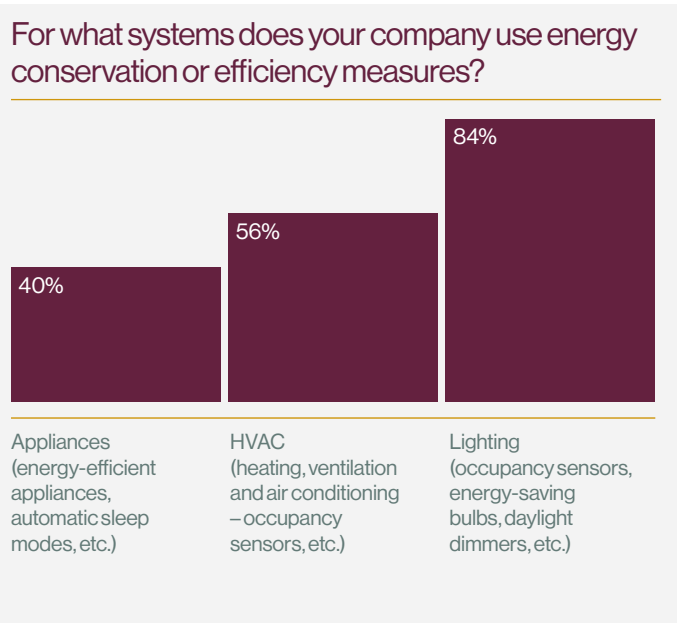


Of the 25 companies surveyed, 11 companies (44%) monitor and record water usage, and 7 companies (28%) monitor and record energy usage. Just 3 of the companies surveyed (12%) met specific reduction targets for energy usage, and none could report the same for water usage.

In the face of an escalating climate emergency, we encourage our portfolio companies across all sectors to develop a proactive climate strategy that includes an energy roadmap based on an effective water and energy monitoring programme.

Four of the companies in our survey have already articulated a comprehensive climate strategy and set specific targets for measuring their environmental impact and increasing their handprint.

Energy efficiency

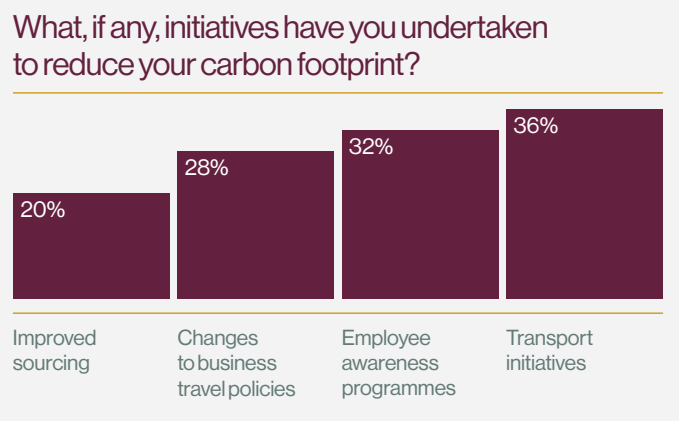


During the year to March 31, 2020, 84% of companies surveyed used energy-efficient lighting systems and 56% used energy-efficient HVAC systems. Such systems are increasingly fitted as standard in office environments, and we encourage their use wherever possible.

“Our natural world is under greater pressure now than at any time in human history, and the future of the entire planet – on which every single one of us depends – is in grave jeopardy.”
Sir David Attenborough
World Economic Forum, October 2020

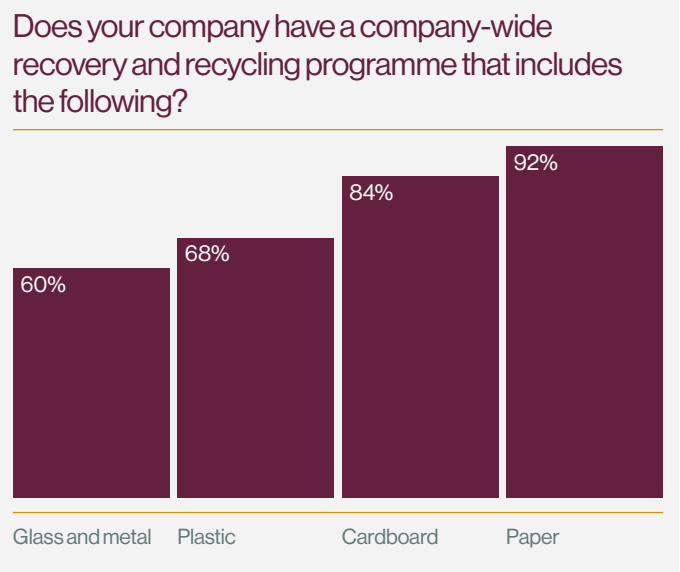


Carbon footprint



Our survey respondents described a wide range of initiatives to reduce their company’s footprint and increase its handprint, or positive impact. These included options to purchase hybrid/ electric cars, transport optimisation, the installation of solar panels, new sourcing and recycling initiatives and the rollout of awareness programmes to engage employees in efforts for change.

For more detail on these initiatives in some of our portfolio companies, see pages 34-39.



Company-wide recycling programmes are becoming more widespread, with an increasing proportion of companies surveyed recycling glass, metal and plastic as well as paper and cardboard.

TowerBrook and the GP Climate Change Project

Climate change risk/opportunity assessment is a value-creating proposition for investors. It enables them to identify climate-related risks that could affect their portfolios and opportunities associated with a transition to a low carbon economy. TowerBrook is joining in partnership with other private equity firms to launch the GP Climate Change Project, which advances action along several workstreams:

- Deal level action – the integration of climate-related risks and opportunities in due diligence
- Portfolio company level action – risk management and strategy. **TowerBrook is leading the working group for this action item**
- Portfolio company action – GHG footprinting, at company or portfolio level
- GP level action
- LP expectations and reporting

TowerBrook joins initiative Climat International

In July 2020, TowerBrook joined forces with a group of private equity investors to create the first international network of initiative Climat International (iCI). Collectively, these investors commit to actively engage with private equity-backed companies globally to reduce the intensity of carbon emissions and secure sustainable investment performance by recognising and incorporating the materiality of climate risk. Members of iCI undertake to effectively analyse, manage and mitigate climate-related financial and emissions risk in their portfolios, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

As a signatory to iCI, TowerBrook is part of a global community of investors who commit to sharing knowledge, tools, experience and best practices to help build and manage climate-aligned and climate-resilient portfolios.



OVHcloud

FTEs	2,228
Investment date	October 6, 2016 (TSO I)

OVHcloud (OVH) is a technology provider with a global footprint and a vision of “innovation for freedom” that integrates action to promote sustainability for the long term.

1.5m
customers

34
points of presence worldwide

30
data centres and 380,000 physical servers

OVH is committed to reducing its environmental footprint at every stage of the server lifecycle. This means ongoing innovation in multiple areas, from optimising the construction of data centres to eliminating air conditioning and recycling components, improving the rate at which they are consumed and extending their lifespan.

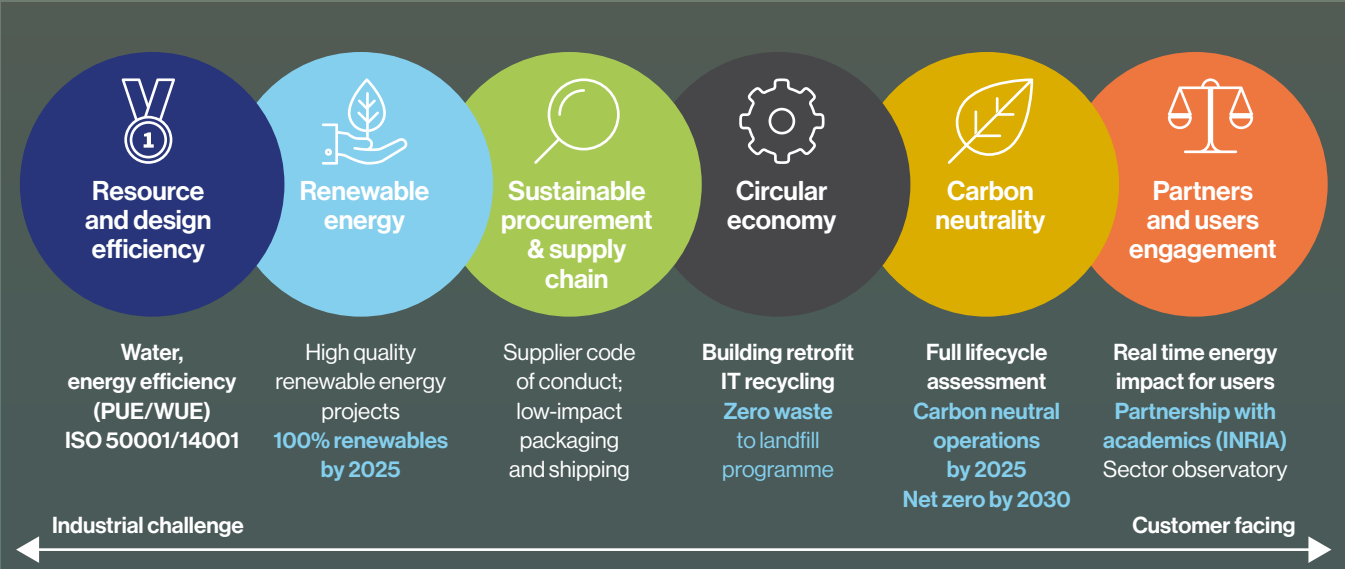
The company builds its own servers, which means it can recycle components and reduce waste. The average lifespan of an OVH server is 5 years, which compares to the industry average of approximately 3 years.

OVH has been working to reduce energy consumption in its data centres since 2003, in particular by designing an exclusive liquid server cooling system that reduces the amount of electricity required to power the servers.

OVH employees in France already benefit from the reimbursement of 50% of their public transport subscriptions as well as a bicycle mileage allowance, and this initiative is being rolled out internationally.

In 2020, OVH adopted a comprehensive GreenCloud programme with 6 clear goals to achieve carbon neutrality and other key milestones by 2025. A graphic depicting these goals is shown below.

Six steps to a more sustainable cloud



KeHE

FTEs	5,733
Net sales (FY 2020 ¹⁴)	\$5,525.1 million
Investment date	May 16, 2019 (PE IV)

KeHE is a distributor of natural and organic, specialty and fresh food products to more than 30,000 stores across the U.S. and Canada.

TowerBrook’s investment supports KeHE’s strategic vision to become a next-generation distributor, leading best practice in inclusive employment, environmental stewardship and supporting responsible brands and retailers to grow in a rapidly developing market. As a Certified B Corporation, KeHE has a demonstrable commitment to the planet as well as to its employees, suppliers and those it serves.

The company has partnered with Clean Energy Fuels to add low-carbon emission trucks that run on renewable natural gas to its California fleet in 2020. This five-year programme is expected to result in an annual reduction in fuel consumption of 15,000 gallons per truck, which equates to a decrease in carbon emissions of 674 metric tonnes – the equivalent of planting more than 11,000 trees. The vehicle engines involved are 90% cleaner than existing diesel engines.

KeHE uses a system called SAFECONNECT, whereby it can plug trailers directly into its own buildings prior to loading, resulting in cleaner energy from the grid. KeHE is partnering with Bloom Energy Servers to convert fuel into electricity through an electrochemical process without combustion.

This results in a 20% reduction in CO₂ emissions and a 99% reduction in both NO_x (nitrogen oxides) and SO₂ (sulphur dioxide) emissions. This programme is supplemented by renewable energy credits, further reducing KeHE’s impact on the environment.

Waste and recycling are priorities for KeHE. All 14 of its warehouses are now recycling plastic and other materials. The company uses ClimaCell, a re-pulpable material made from renewable plant-based components and paper, to ensure temperature-controlled shipments and 100% recycled packaging.

KeHE’s partnership with technology company Spoiler Alert allows it to make nutritious food available at affordable prices through value channel retailers and non-profit organisations in underserved communities across the U.S. By leveraging data from Spoiler Alert’s platform, KeHE can analyse trends in excess inventory, increase sales velocity and reduce waste. This initiative has already provided the equivalent of 1 million meals as well as significantly decreasing food waste to landfill.

Another way KeHE is addressing food waste is with retailers at store level. KeHE has developed an in-store food waste guide for retailers, outlining key actions for stores and explaining how to implement improvements, together with live examples from retailers already sharing best practices.



53m ft²
of warehouse space

14
all KeHE warehouses recycle plastic and other packaging

5-year
programme to introduce low-carbon emission trucks



Above: One of KeHE’s new Kenworth CNG trucks fuelled with renewable natural gas



AustroCel Hallein

FTEs	279
Net sales (FY 2019)	\$123.9 million
Investment date	September 12, 2017 (PE IV)

AustroCel Hallein is focused on transforming wood into a source of sustainable value, both as softwood dissolving wood pulp for viscose fibre production and as green energy for local homes.

With an innovative bioethanol plant coming on stream in 2020, AustroCel Hallein took a major step towards becoming a zero-waste business and reinforced its position as Austria's largest green energy producer.

The new plant is a €42 million investment that allows the company to use a by-product of its manufacturing process, called brown liquor, to produce up to 30 million litres of bioethanol per year. When this fuel is added to petrol it is expected to replace approximately 1% of Austria's annual petrol consumption, thereby decreasing reliance on fossil fuels and reducing CO₂ emissions by approximately 50,000 tonnes per year.

AustroCel has already achieved carbon neutrality, with only 0.4% of fuels consumed for power generation derived from fossil fuels. The company sources more than 95% of its raw material as woodchips from sustainably managed spruce forests, and prioritises the use of rail transport to limit CO₂ emissions caused by its activities. In order to recycle as much as possible, AustroCel's biogas reactors and biomass boiler

use subsidiary flows and other surplus materials from pulp production to generate green energy for approximately 30,000 local households and district heating for nearly 14,000 households.

In 2019, the company invested €15 million in resource efficiency. Further steps to mitigate the company's climate impact include the introduction of a pressure diffuser on the production line to help lower the consumption of bleaching chemicals, together with a switch to biodegradable cleaning agents across the business.

The company has partnered with the Province of Salzburg in its climate and energy strategy, SALZBURG 2050. Together with more than 30 partner companies and institutions, the company is supporting the transition to green energy and the responsible use of resources. In its immediate locality, AustroCel maintains a regular dialogue with the people of Hallein, and stakeholder meetings are held at regular intervals. Recent actions prompted by community engagement have included sound insulation for the evaporation plant and the use of quieter vehicles at the woodyard.

TowerBrook supported AustroCel to invest in becoming a zero-waste player in a circular economy and also to develop a governance framework and culture to allow the company to access further opportunities for sustainable growth.

In 2020, AustroCel completed its B Lab Assessment and achieved certification as a B Corp. In becoming a B Corp, AustroCel is committing to a journey of continuous development as a responsible business that works to have a positive impact on all its stakeholders.

Below (L-R): Jörg Harbring (CEO), Patrick Verschelde (Chair) and Christian Spark (Head of Purchasing and Logistics) announce AustroCel's certification as a B Corp, May 2020 (photo © AustroCel/Michael Schartner)



143,000

metric tonnes of pulp produced in 2019

96,000

megawatt-hours of electricity and
104,000 megawatt-hours of district heating

B Corp

certification achieved in 2020



Above: TowerBrook's investment supported the installation of a Cleaning-In-Place (CIP) facility at AustroCel Hallein



JJA

FTEs	879
Sales (FY 2019)	€574.9 million ¹⁵
Investment date	March 1, 2018 (TSO I)

JJA is a French B2B supplier of home furnishings and associated products. The company has built a portfolio of design-led brands including home decoration, garden furniture, toys and Christmas items that are distributed primarily to soft discount and online channels.

JJA has nurtured a company culture that values individual effort and innovative ideas to create a positive impact on the environment. Some recent initiatives are illustrated on the right.

6

distinctive B2B brands

45

years of experience driving innovation in sourcing and logistics

358,000m²

of warehouse space

“We really care about the environment, and by installing LED lighting we get a double benefit. We save €190,000 a year in electricity bills through a project that pays for itself in 4 years.”

Edouard Brisset
Director General of Easy Logistique



JJA partnered with a mushroom-growing business that transforms old coffee grounds into compost. 426 kilos of coffee grounds were collected from JJA in just 7 months. 15 kilos of the resulting mushrooms were cooked and served in the company restaurant – a nice illustration of the circular economy in action.

JJA replaced single-use plastic mugs with an environmentally conscious alternative in the company's drinks distributing machines. The new mugs, which are automatically provided to those who arrive without their own drinks containers, are made from WoodCompound®, an innovative mixture of recycled plastic and sawdust from PEFC approved forests.



Electricity consumption at JJA's warehouse in Argoeuves was reduced by 60% in one year thanks to the installation of LED lighting and the use of remote controls and motion sensors. This exercise was so successful that it was repeated at JJA's Dépôt Bingo site in 2019.

Aernnova

FTEs	4,967
Sales (FY 2019)	€721.9 million
Investment date	January 16, 2018 (PE IV)

Aernnova designs, manufactures and supplies aerostructures and components including fuselage sections, tail assembly and wing structures. The company is a Tier 1 and Tier 2 supplier to major aircraft manufacturers worldwide.

Aernnova has also launched a number of initiatives to reduce its own carbon footprint. A dedicated logistics team controls and coordinates road, sea and air transport to reduce the number of shipments. For example, the frequency of deliveries to Aernnova's warehouse in Arasur has been changed from daily to weekly, and backloads arranged wherever possible to optimise use of truck space on return journeys.

Road and sea shipments are prioritised and air freight is only used when strictly necessary. Specific annual cost reduction targets and systematic monitoring led to a 23% reduction in the cost of air freight shipments per sale between 2017 and 2019.

14

facilities in 6 countries

200,000m²

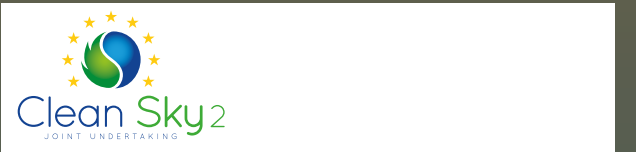
of manufacturing space

29

aviation programmes in partnership with global OEMs

Aernnova's climate strategy is focused on reducing the impact of aviation by minimising the footprint of an aircraft during its lifecycle. Aernnova is a core partner of Clean Sky 2, part of the EU's Horizon 2020 programme that develops innovative technologies to reduce CO₂, gas emissions and noise levels produced by aircraft. These technologies include more aerodynamic wings, lighter and more efficient engines, smarter systems, new aircraft configurations and a more sustainable aircraft lifecycle. Clean Sky 2 is focused on strengthening European aero-industry collaboration, global leadership and competitiveness.

Aernnova is a key partner of Clean Sky 2. The investments Aernnova is managing involve more than €50 million. The company is partnering with global players to develop 5 of the programme's 20 prototypes. These include a full composite rear end, thermoplastic components, a hybrid laminar flow for empennages and morphing winglets, flaps and helicopter tailcones that depend on Aernnova's design, engineering and manufacturing experience in next-generation composites.

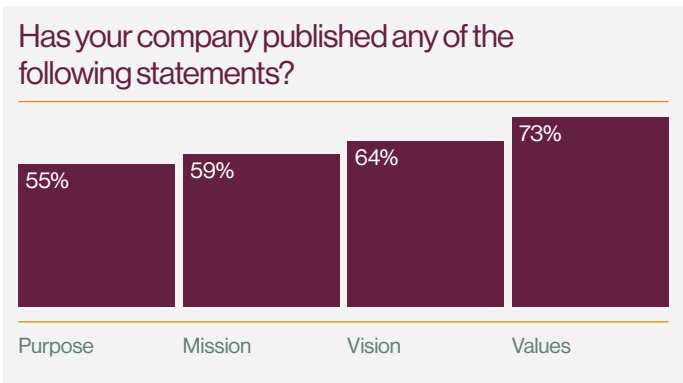


Above: Aernnova has extensive experience in the design and manufacture of lightweight empennages as well as of composite components that reduce the weight and increase the efficiency of aircraft

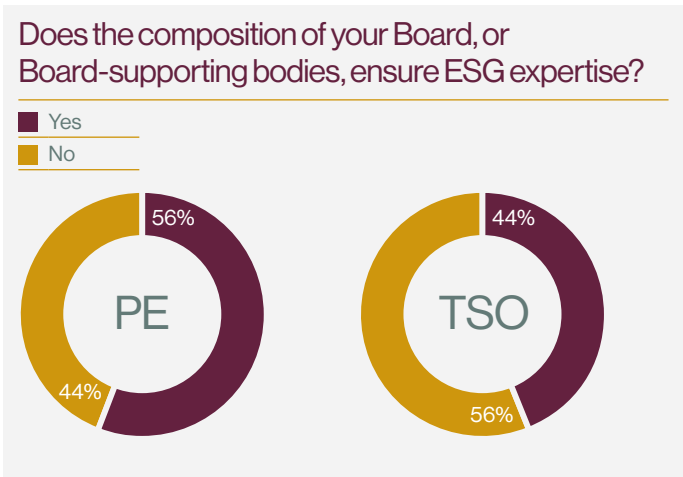


Partnership

Purpose, mission, vision and values



We are partnering with our portfolio companies to help them develop their own articulation of purpose and pursue purpose-driven value creation strategies. For more detail, see the panel on page 13.



56% of PE companies and 44% of TSO companies report specific ESG expertise at Board, or Board-supporting (i.e. Board Committee) level.

As responsible owners and investors, TowerBrook seeks to encourage the recruitment of Board directors with the material ESG expertise that will allow them to exercise effective risk-related oversight in a constantly evolving risk landscape.

Business ethical risk



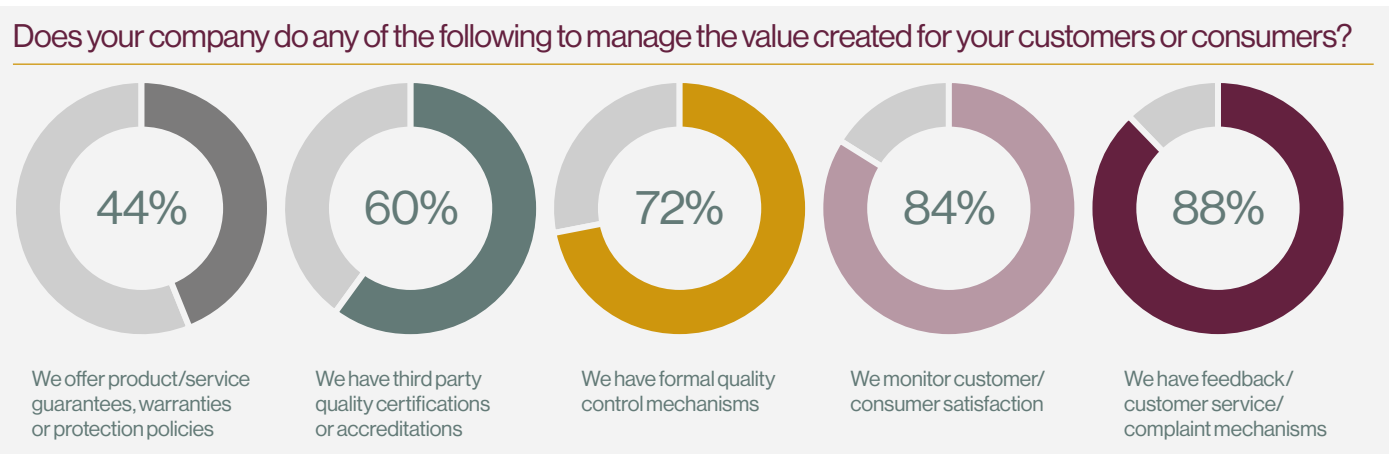
In line with PRI guidance and as part of our 200-day Plan, TowerBrook considers ethical risks an important part of formal Board procedures in our controlled companies. We promote robust governance processes to manage both current and emerging responsible ownership risks at portfolio company Board level.



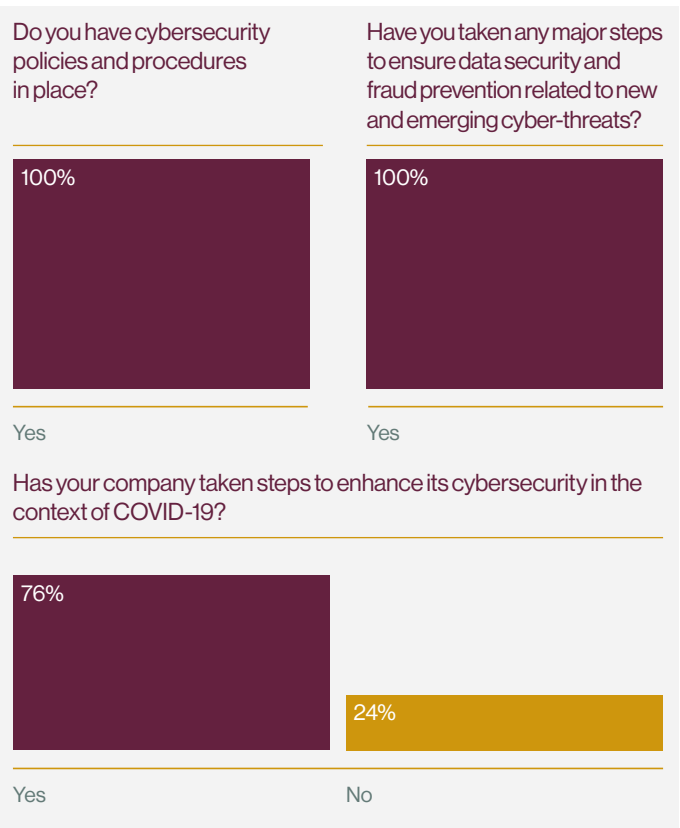
90% of respondents to a recent survey¹⁷ believe that disruption as a result of COVID-19 poses a risk to ethical business conduct. While noting the heightened risk posed by severe disruption to normal working patterns, the survey also highlights the opportunity for companies to integrate a commitment to ethical conduct into their culture, strengthening their reputation and making them more attractive to employees and customers.



Managing value for customers



Cybersecurity



All 25 of the companies surveyed have cybersecurity policies and procedures in place, and all have taken major steps to ensure data security and fraud prevention related to new and emerging threats.

19 companies have taken further steps in the context of COVID-19. Most of these have focused on reviewing existing cybersecurity measures and upgrading software and IT support to ensure robust procedures for remote working.

Cybercriminals have taken advantage of the disruption caused by the pandemic and are taking advantage of the shift to working from home. According to the U.S. Federal Trade Commission¹⁸, by the end of October 2020 there had been approximately 238,000 fraud reports related to the pandemic, with an estimated cost of more than \$170 million.

There is a widespread and increasing corporate focus on protecting access to information through verification of identity and a doubling-down on authentication procedures.

Our portfolio companies' response to COVID-19

Our portfolio companies have provided resources, expertise, money and time to support healthcare facilities and other organisations that directly benefit their local communities during the COVID-19 pandemic. TowerBrook is immensely proud to partner with businesses that exemplify our purpose and values. A few of their many contributions are highlighted here.



Above: Many of our portfolio companies and their employees are working to support their local communities during the pandemic

Aernnova

Using its design and production capabilities in aluminium engineering, Aernnova contributed lightweight parts for an innovative prototype respirator developed by the automobile manufacturer SEAT. The company also switched part of its production to the manufacture of PPE for healthcare staff, cutting patterns and material for 1,000 hospital gowns. Workers at Aernnova Andalucía collected 640kg of food which was donated to the Banco de Alimentos (Food Bank) of Seville.

Kaporal

Kaporal leveraged its relationship with a former supplier in Hong Kong to procure 4,000 face masks free of charge that were then donated to a major hospital in Marseille.

KeHE

KeHE donates 10% of net profits to the KeHE Cares® Foundation, which has partnered with local organisations to help alleviate food shortages in Southside Chicago and other communities across the U.S. KeHE also transformed its annual Holiday Show into a virtual event and donated the proceeds to KeHE Cares partners to help them support communities affected by COVID-19.

ICS

ICS increased pay to nurses for short-notice shifts and offered price discounts to support hospital trusts struggling to source staff in the usual way. ICS's life science business has adapted to working closely with biotech and pharma companies on both COVID-19 vaccines and antiviral therapies, providing resources to accelerate the progress of clinical trials.

La Maison Bleue

LMB made crèches available for the children of hospital staff and essential workers, and used its Facebook page to communicate with more than 25,000 followers during the lockdown, offering advice to parents on how to manage the physical and emotional needs of infants confined at home.

OVHcloud

OVH launched Open Solidarity, a global initiative that enables companies to collaborate with one another by guaranteeing the provision of reliable infrastructure, free of charge, for the entire duration of the crisis. Open Solidarity supports remote working for both businesses and public service providers, including schools and healthcare organisations, and can be scaled up to meet demand, including traffic spikes caused by heavy workloads.

R1

R1's Helping Hands programme supports the company's employees to make a meaningful impact in local communities through volunteering, with a focus on healthcare, education and human services. In 2020, Helping Hands resolved to maintain support for organisations it helped in the past, while seizing the opportunity to support causes in COVID-impacted communities. A total of \$375,000 was donated to a range of organisations including the Ronald McDonald Foundation, Meals on Wheels and Feeding America. R1 staff donated more than 5,000 hours and wrote upwards of 700 letters to support residents in 47 Ascension Living facilities.

Rewards Network

Rewards Network (RN) supported restaurant owners by offering extensive guidance on securing government funding and sharing best practices through the COVID-19 crisis. The company also waived the cost of its marketing services product until the end of May for new restaurants joining its programme. RN employees volunteered for a half day's service at the Chicago Food Depository.

TLN

Following the closure of schools due to the COVID-19 pandemic, the company leveraged its specialist knowledge and distribution channels to make digital teaching and learning materials freely available to schools and students. TLN, in partnership with Academy4Learning, also offered schools and their teachers the opportunity to attend free webinars and training courses to help them design and implement digital education.

TRIMEDX

TRIMEDX is working with numerous hospital customers throughout the U.S., often providing additional services outside of contract scope free of charge. This includes helping with equipment transfers to hospitals in need, setting up new ICU rooms, procuring additional clinical equipment and servicing additional devices for no charge. TRIMEDX is also collaborating with universities to assist in the prototyping and production of ventilators, and offering assistance with clinical equipment repairs to companies and government agencies in need.

TRIMEDX Foundation was created to address the international need for medical equipment repair and support. With volunteer technicians working tirelessly on the front line, the Foundation faces a new set of challenges around patient care, safety and the shipping and receiving of medical equipment and supplies. A portion of TRIMEDX Foundation's 2020 travel budget was redistributed, and a virtual volunteer programme created to serve its partners in the developing world through pre-recorded videos, conference calls, preventive maintenance and troubleshooting manuals.

The TowerBrook Foundation

The TowerBrook Foundation supports the communities in which we live and work by partnering with carefully selected organisations that are aligned with our purpose and values and where our contribution can have a lasting impact.

The TowerBrook Foundation was established in 2006 by the partners of the firm and is an integral part of our identity and culture. It reinforces the values we seek to promote within our business. We believe that giving together will help us to grow as a firm as well as making a lasting difference to those we support. The TowerBrook Foundation is funded from the profits of our business and is registered as a charity.

We engage in a range of activities that include supporting charities to become more effective; devoting resources in kind, including volunteering, to practical projects; and helping to raise awareness of the charities' work, including among our portfolio companies, so that they can grow and thrive.

In 2020, we were proud to extend the Foundation's immediate support for the needs of our communities in London and New York. In the U.K., the Foundation announced significant donations to the Imperial Health Charity and Salute the NHS. In the U.S., our contributions were directed to AmeriCares and World Central Kitchen in New York City. See opposite for further details.

The Foundation also offers matched gifts, whereby individual donations from any TowerBrook team member are matched on a 3:1 basis. Throughout this year, the Foundation is increasing the match to 4:1 to support charities directly involved in mitigating the impact of the pandemic.

The Foundation has also resolved to participate in the fight against systemic racism, inequity and social injustice by making significant funds available to selected organisations in the U.S. and U.K. over the next 3 years. We are in the process of identifying organisations that can help drive sustained change, where TowerBrook can engage in meaningful, multi-year partnerships that involve both funding and volunteer time. For more about TowerBrook's actions in support of organisations combating systemic racism, see page 28.

Imperial Health Charity



Imperial Health Charity works to improve the hospital experience and patient care at the five Imperial College Healthcare NHS Trust hospitals in London.

TowerBrook's donation has helped to extend IHC's COVID-19 Legacy Programme in the 5 hospitals for a further year. This programme provides NHS medical staff with long-term counselling and emotional support, along with properly resourced staff rooms and much-needed quiet rest spaces for staff battling the effects of the pandemic.

Salute the NHS



Salute the NHS is a private sector-backed, not-for-profit initiative created to help fight COVID-19 by providing nutritious, balanced and tasty meals to vital frontline NHS staff. Over a period of 3 months, from April to July 2020, more than 1 million meal boxes were created and distributed by its team of chefs, logistics experts and volunteers across the U.K.

The grant from the TowerBrook Foundation was used to support the work of delivering meals and care packages to frontline staff in 53 hospitals across the U.K., 12 of which were in Greater London.

AmeriCares



AmeriCares is a health-focused relief and development organisation that responds to people affected by poverty or disaster with life-changing medicine, medical supplies and health programmes.

The TowerBrook Foundation grant was channelled directly to provide critical PPE to frontline healthcare workers in New York City to help ensure they could safely continue their life-saving work during the COVID-19 pandemic.

World Central Kitchen



World Central Kitchen (WCK) uses the power of food to heal communities and strengthen economies in times of crisis and beyond.

WCK is working across America to safely distribute individually packaged, fresh meals in communities that need support – for children and families to pick up and take home, as well as delivery to seniors who cannot venture outside. Since March 2020, WCK has provided over 30 million meals in more than 400 cities.

Funds from the TowerBrook Foundation helped supply meals for frontline workers in New York City, while at the same time supporting employment in local restaurants.

The TowerBrook Foundation

The TowerBrook Foundation has continued to partner with a number of organisations that are taking concrete action to create a more equitable and inclusive society.

Resurgo



U.K.-based Resurgo, meaning “to rise up again”, connects, trains and supports people to transform society together through high-impact, scalable enterprises. Resurgo’s Spear Programme puts young people into employment via a six-week training programme run by highly-qualified coaches. Approximately 90% of Spear trainees have at least one barrier to gaining employment, e.g. few academic qualifications, a criminal record or a childhood spent in care. One year after graduation, 75% of trainees are still in work.

In 2019, the TowerBrook Foundation committed to support Resurgo over 3 years, thereby helping to fund the creation of more Spear Centres across London and the U.K. Resurgo successfully moved its Spear programme online in 2020 so that it can continue to equip disadvantaged young people with confidence, motivation and the vital skills they need to succeed in long-term employment.

TEAK Fellowship



The TEAK Fellowship is a free programme, based in New York City, that helps talented students from low-income families achieve their potential. Through intensive after-school and summer classes, TEAK prepares middle-school students to get into the nation’s most selective high schools and colleges. TEAK’s strong support system ensures that students thrive in their high schools and graduate from college ready to pursue their professional goals and positively impact the world.

Founded in 1998, TEAK began accepting cohorts of 30 bright, motivated, and resilient low-income sixth-grade students from underresourced communities in New York City. Twenty years later, with the backing of its Board of Directors and loyal supporters, TEAK confidently took the step to grow the incoming class to 45 students, which will double the size of the Fellowship over ten years.

In July 2020, TowerBrook team members from our New York office partnered with Sidley Austin to provide career advice to 16 TEAK Fellows currently in college, volunteering their time and experience to guide the students (in a virtual environment) on résumé-writing and interview skills.

Bookmark



Prior to the COVID-19 related school closures in England, one out of every four children left primary school unable to read well¹⁹ – a situation that can have a potentially devastating impact on their future education, employability, and mental health. Bookmark has a simple vision: for every child to read. Since 2018, Bookmark volunteers have supported nearly 400 primary school children in a growing network of schools by delivering one-to-one reading programmes that help them to develop the reading skills and confidence they need for a fair chance in life.

The TowerBrook Foundation is supporting Bookmark’s vision and its new online programme designed to offer continuing support to primary school children during school closures and beyond. Four TowerBrook team members have successfully completed their Bookmark training, and three have delivered reading programmes to children.

Habitat for Humanity



For the last three years, TowerBrook has been supporting a Habitat for Humanity project in Addis Ababa, Ethiopia. The project includes the construction of homes for vulnerable families, community infrastructure such as kitchens, toilets and taps, and the provision of sanitation awareness and training to health experts and community members. The goal is to provide access to quality housing, water and sanitation to help reduce the spread of communicable diseases, while at the same time empowering a community with improved knowledge and skills to give them ownership and agency over their own development needs and solutions.

The project has delivered strong results; to date, with TowerBrook’s support, Habitat has built 42 new homes, renovated 12 communal kitchens, constructed 30 school and communal toilets, and trained health workers and community members. In total, 389 families have benefited from the new homes, kitchens and sanitation, 11,000 students have access to clean water and decent toilets, and 1,800 individuals, including 82 health workers, have been trained. In October 2019, a team of six from TowerBrook’s London and New York offices had the opportunity to witness this work first-hand and volunteer on site. The TowerBrook team helped to build a brick house with latrines which will provide housing for four families.

City Year



City Year runs a mentoring programme that engages young people in tackling inequality in education through a year’s full-time voluntary service in at-risk schools in inner-city communities. The double benefit of this activity is that students living in poverty are supported while young adults also develop leadership skills, thereby investing in their own future. TowerBrook was a founding partner in the launch of City Year in Britain in 2010 and has supported City Year in New York since 2012.

In this final year of the Foundation’s sponsorship, a six-person team from TowerBrook took part in an interview skills event, putting six City Year corps members through their paces via an online training session.



Habitat for Humanity is a global, non-profit housing organisation active in more than 70 countries around the world. Anchored by the conviction that decent housing provides a critical foundation for breaking the cycle of poverty, Habitat has helped more than 20 million people develop strength, stability and self-reliance through improved housing and community infrastructure.

To learn more about the impact of TowerBrook’s work with Habitat in Ethiopia, please use the QR code to watch the film, or click [here](#).



VisionOn: Purpose and value

TowerBrook VisionOn events bring together sector experts, senior managers and members of our team in a small, private forum where they can exchange ideas and chart new opportunities for sustainable value creation.

Through sharing our experience and insights, we aim to make mutually beneficial connections, stimulate creative thinking and partner with leaders to deliver value for our investors, now and in the future.

In 2020, our VisionOn programme continued with two virtual roundtables focusing on the forces that are likely to shape the long-term future of the hospitality and automotive industries, both of which have been severely impacted by COVID-19.

TOWERBROOK

VisionOn Food and Beverage
A TowerBrook roundtable

London
Monday November 6, 2017

TOWERBROOK

VisionOn Retail
A TowerBrook roundtable

London
Tuesday March 20, 2018

TOWERBROOK

VisionOn Responsible Ownership
A TowerBrook roundtable

New York
Thursday October 18, 2018

TOWERBROOK

VisionOn Responsible Ownership
A TowerBrook roundtable

London
Friday March 29, 2019

TOWERBROOK

VisionOn Plastics & Packaging
A TowerBrook roundtable

London
Thursday September 26, 2019

TOWERBROOK

VisionOn Hospitality
A TowerBrook virtual roundtable

Friday April 24, 2020

TOWERBROOK

VisionOn Auto
A TowerBrook virtual roundtable

Thursday May 7, 2020

Talking points

1. How do you see the future of the automotive industry?

2. How do you see the future of the hospitality industry?

3. How do you see the future of the automotive industry?

4. How do you see the future of the hospitality industry?

Talking points

1. How do you see the future of the automotive industry?

2. How do you see the future of the hospitality industry?

3. How do you see the future of the automotive industry?

4. How do you see the future of the hospitality industry?

VisionOn Auto May 2020

“ Over the next three or four years, the availability of lithium and cobalt will become a constraint for EV growth. And it will happen faster than the recovery of the automotive industry to pre-COVID levels. ”

VisionOn Auto participant

“ Engines are no longer differentiators. OEMs will increasingly distinguish themselves as integrators of unique features they source from suppliers. ”

VisionOn Auto participant

Bernd Bohr



Former CEO, Bosch Automotive Group; Chair of Supervisory Board, Deutz; Chair of the Board of Governors of Aachen University; Chair, Ottobock

From fossil fuels to e-mobility: how will COVID-19 impact the transformation?

Peter Pleus



Former CEO, Schaeffler Automotive; former CEO, Mahle Ventiltrieb; former Board Director, European Association of Automotive Suppliers (CLEPA)

Post-COVID industry transformation: the supplier's perspective

Stephan Kessel



Former CEO, Continental; Chair of Supervisory Board, Stabilus; Chair of the Advisory Boards of Novem Beteiligungs GmbH and Dayco Products LLC; Chair, ACPS

The future car: the road from a premium product to a commodity service

Bram Schot



Former CEO, Audi; former member of Group Board of Management, Volkswagen; former President and CEO, Mercedes-Benz Italia

Functions on demand: standardisation vs differentiation

Carl-Peter Forster



Former CEO, Tata Motors Group; former President and CEO, GM Europe; former Executive Board member, BMW; former Board member, Volvo; Chair, Chemring Plc; Board member, IMI plc, Babcock Plc

How the world of marketing has changed for retailers

Sir Ralf Speth



CEO, Jaguar Land Rover; Member of Supervisory Board, Tata Sons; former Director of Production, Quality and Product Planning, Ford Premier Automotive Group (PAG)

The convergence of private and public transport

Notes and references

1

The total number of beneficiaries of TowerBrook’s limited partners has been calculated from publicly available data and is approximate. This number will vary over time, reflecting changes in the composition of our investor base and its constituents

2

Capital raised since inception of \$17.4 billion is as at September 30, 2020 proforma for commitments expected to close in Q4 2020

3

Includes 8 private investment partnerships and 1 co-investment vehicle

4

Portfolio companies include all companies in which TowerBrook had an investment interest, controlling or otherwise, at November 23, 2020, with the exception of True Religion, a private equity investment in which TowerBrook no longer had a controlling interest at that date

5

The number of employees shown throughout this Report is as at June 30, 2020 for all companies in which TowerBrook had an investment interest, controlling or otherwise, at November 23, 2020, with the exception of True Religion, a private equity investment in which TowerBrook no longer had a controlling interest at that date

6

The combined revenue generated by the 31 companies in which TowerBrook had an investment interest at November 23, 2020 (with the exception of True Religion, a private equity investment in which TowerBrook no longer had a controlling interest at that date) amounted to \$16,278 million as at June 30, 2020. This figure is based on June 30, 2020 conversion rates of EUR 1.1247 and GBP 1.2311

7

Norris, G. (2015). Handprint-Based NetPositive Assessment. Sustainability and Health Initiative for Net Positive Enterprise (SHINE), Center for Health and the Global Environment, Harvard T.H. Chan School of Public Health: https://hwpi.harvard.edu/files/chge/files/handprint-based_netpositive_assessment.pdf

8

CarTrawler full year ended September 30, 2019

9

BevMo! full year ended January 31, 2020

10

The data presented includes information gathered between June and October 2020 in respect of the 25 companies listed. Four companies were new to the survey in 2020: Access Financial, Compassus, KeHE and Sabena technics. Four companies in the TowerBrook portfolio at June 30, 2020 were excluded from the survey: (i) CAVU Investment Partners and Perimeter Master Note Business Trust (Fortiva), which are special purpose vehicles for TSO I structured asset investments that do not have operations appropriate for the RO survey; (ii) True Religion, a private equity investment in which TowerBrook no longer had a controlling interest; and (iii) Studio Movie Grill, a company in which TSO I holds a subordinated debt investment and that recently filed a Chapter 11 bankruptcy petition. Four other companies surveyed in 2019 were not included in the 2020 survey: GSE, Metallo, FloWorks and Van Geloven were exited before the survey was conducted. Azzurri Group, CarTrawler and Talan are not included in the survey as all three investments closed after June 30, 2020

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Corporate Sustainability: First Evidence on Materiality; Khan, Serafeim & Yoon, HBS, March 2015: <https://hbswk.hbs.edu/item/corporate-sustainability-first-evidence-on-materiality>

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KeHE full year ended April 30, 2020

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Sales are proforma for FY 2019 and include the acquisitions of Luance and Tendance in 2019

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This chart excludes portfolio companies in the Financial Services sector, for which this issue is less material

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It's not only the question,
but the way you try to solve it.

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Design and production
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Print
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